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9 June 1982

# East Europe Report

ECONOMIC AND INDUSTRIAL AFFAIRS

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INTERNATIONAL AFFAIRS

MARSZALEK BOOK ON CEMA INTEGRATION MECHANISMS REVIEWED

Warsaw SPRAWY MIEDZYNARODOWE in Polish No 7, Jul 81 p 166

[Review by a.z. of book MECHANIZMY I NARZEDZIA INTEGRACJI GOSPODARCZEJ KRAJOW  
RWPG [Mechanisms and Tools for the Economic Integration of CEMA Countries]  
by Antoni Marszalek, Polish Scientific Publishers [PWN], Warsaw, 1981, 189  
pages]

[Text] This work deals with mechanisms and tools for the economic integration of CEMA countries. In his adopted definition, the author considers tools to be constituent elements of mechanisms. Therefore, to the extent that a real, albeit relative, discrepancy exists between the planning-institutional mechanism (in short, the planned mechanism) and the commodity-monetary mechanism, commodity-monetary tools can be and are elements of the planned mechanism. The author has analyzed elements of the latter mechanism in his chapters on the coordination of national socio-economic plans and on international planning, while commodity monetary mechanisms are analyzed in the chapter on prices and international currency. Both groups of mechanisms are divided into two chapters on the national [Polish] socialist enterprise and the international enterprise. The final chapter is devoted to neighborly integration and constitutes a detailed conclusion to the argumentation conducted in the preceding chapters. This conclusion is as follows: "Neighborly cooperation among countries being integrated is a specific form and tool of the integration of the whole. If integration is treated as the joining of links, then it becomes a basic and indispensable form." This conclusion, the author continues, can thus be the point of departure for the considerations put forth in this work.

CSO: 2600/643

MODEL STATUTE OF THE OKRUG AGROINDUSTRIAL UNION

Sofia DURZHAVEN VESTNIK in Bulgarian 30 Apr 82 pp 451-454

[Model statute of the okrug agroindustrial union, adopted by Central Council of the National Agroindustrial Union and signed by Chairman Al. Petkov; date not given]

[Text] Chapter I. CHARACTER AND PURPOSES

Article 1. (1) The okrug agroindustrial union (OAPS [Okruzhniyat agraro-promishlen suyuz]) is a voluntary association of economic organizations, which directs, coordinates and monitors the activity and resources of its members looking not only to the intensification of production on the basis of further development of territorial concentration and specialization of agricultural production, its integration with processing industry, and more efficient utilization of land, capital assets and labor resources, but also to the fuller satisfaction of needs for agricultural output in fresh and processed state and an increase in the country's foreign-exchange resources.

(2) The okrug agroindustrial union is created by the NAPS [Natsionalniya agrarno-promishlen suyuz; National Agroindustrial Union] members situated in the same okrug. It is a collective member of the National Agroindustrial Union.

Article 2. The okrug agroindustrial union is a juridical personality in conformity with article 90, paragraph 1, of the Regulations on the Economic Mechanism (DURZHAVEN VESTNIK, Nos. 9, 10, 11 and 12/1982). It shall carry on its activity with consistent application of the economic approach and the state socialist principle in conformity with the rights and duties appertaining to it as specified in the prescriptive enactments, in conformity with the decisions of superior bodies of the National Agroindustrial Union and with the functions assigned by its members.

Chapter II. FUNCTIONS, RIGHTS AND DUTIES OF THE OKRUG AGROINDUSTRIAL UNION

Article 3. (1) The okrug agroindustrial union shall perform planning and regulatory functions and be responsible for fulfillment of the agriculture plan on socialized and auxiliary farms and private plots, as well as for the links included in its organizational structure, processing and integrated enterprises of the food industry, and service activities.

(2) The okrug agroindustrial union shall differentiate the state planned targets, normatives and limits, assigned to it by the National Agroindustrial Union, between

the agroindustrial complexes, the integrated and service organizations, and its enterprises in the okrug in accordance with the differences in soil-and-climate and other production conditions.

(3) State planned targets, normatives and limits for the units of the food and gustatory industry and the service activities that are part of economic and other trusts shall be approved by their superior organization in coordination with the okrug agroindustrial union.

(4) Jointly with the okrug people's council and public bodies and organizations, the okrug agroindustrial union shall supervise the drawing up of the okrug budgets for agricultural products, including the budgets of the self-sufficiency system for the population of conurbation systems.

(5) The agroindustrial union shall assist its members in formulating counterplans, shall summarize and formulate the okrug counterplan, which it substantiates and submits for approval by the Executive Committee of the Central Council of the National Agroindustrial Union.

Article 4. (1) The okrug agroindustrial union shall organize and coordinate the economic activity of its members and those relations, involving the economic aspects of production, between them and with scientific-research, engineering-and-applications, supply, marketing, trading, construction, transportation and other organizations.

(2) The engineering-and-applications activity of the okrug agroindustrial union shall be directed towards further intensification and elevation of the technical and economic, technological and organizational level production and an increase in production efficiency.

(3) The coordination of supply, marketing and trading activity that the okrug agroindustrial union effects between its members and other organizations shall comprise determining the needs of material resources for production, letting contracts, day-to-day control of the supply of materials and machinery, negotiating and determining the economic terms for the sale of agricultural output etc. The okrug agroindustrial union shall perform this activity through its own specialized enterprises or through its functional links.

(4) The okrug agroindustrial union may carry on foreign activity through foreign-trade and engineering organizations, as well as set up--according to established procedure--its own engineering organizations with rights to operate inside and outside the country.

Article 5. Without limiting the juridical, economic or operational independence of its members, the okrug agroindustrial union shall perform coordinating and monitoring functions involving day-to-day production control in respect of fulfillment of the state planned targets, plans for croplands and number of livestock, observance of technological and contract discipline etc., for which it bears responsibility.

Article 6. (1) The okrug agroindustrial union shall directly perform economic activity to meet specific needs of its members.

(2) By decision of the board of directors of the okrug agroindustrial union, specialized and other enterprises may be set up which are financed by funds of the okrug agroindustrial union or by pro-rata participation of the interested members. The economic relations of the okrug agroindustrial union and its members with the enterprises set up to meet common needs shall be ruled by the regulations governing the organization and activity of the okrug agroindustrial union in question.

(3) The okrug agroindustrial union may participate in new efficient forms of joint organization--associations, corporations, companies etc., regardless of their sectorial affiliation or territorial location in order to accomplish common activities on a voluntary and mutually advantageous basis.

Article 7. Within the limits of the powers delegated to it by the prescriptive enactments of the National Agroindustrial Union and the executive committee of the okrug people's council, the okrug agroindustrial union shall perform the following state and control functions:

1. Pursue state policy in the development of the economic and other organizations included in its organizational structure;
2. Perform administrative and control functions for the conservation, registration and rational utilization of land, for protection of the environment and observance of labor safety techniques;
3. See to the protection of the socialist property of the okrug union and its member economic organizations;
4. Assist and monitor the operation of units of economic and other trusts of the food industry and those with service functions in conformity with concrete production conditions and targets and, on an economic basis, coordinate their activity with the agricultural organizations in the course of plan fulfillment;
5. A special body of the okrug agroindustrial union shall consider and decide pre-contractual, property and other disputes between its members arising in connection with their economic activity.

Article 8. The okrug agroindustrial union shall coordinate the activity of its members during their participation in building and organizing the social infrastructure and in carrying out joint measures for the further improvement of social relations and the creation of a package of labor, living and leisure conditions for the labor collectives.

Article 9. The okrug agroindustrial union shall be responsible to its members, to the National Agroindustrial Union and to the agencies of the state for the results of the activities and functions delegated to it, for its own economic activity and for the orders issued to its members.

### Chapter III. MEMBERSHIP, RIGHTS AND DUTIES

Article 10. (1) The members of the okrug agroindustrial union may be state and cooperative economic and other organizations and units of centrally established

organizations within the system of the National Agroindustrial Union, situated in the territory of the same okrug. Units of economic and other organizations with service functions shall be members of the okrug agroindustrial union and be dually subordinated.

(2) New members shall be admitted by the board of directors of the okrug agroindustrial union.

(3) The members of the okrug agroindustrial union shall retain their economic and juridical independence as well as the rights and responsibilities with which they are entrusted by the prescriptive enactments.

(4) By decision of the collective administrative bodies of the economic organizations, members of the okrug agroindustrial union may be consolidated into a single economic organization--an okrug agroindustrial complex. The decision shall be subject to approval by the Council of Ministers on recommendation of the Central Council of the National Agroindustrial Union.

Article 11. The members of the okrug agroindustrial union shall have the following rights:

1. To participate in the proceedings of the okrug agroindustrial union and its elective governing bodies through their representatives;
2. To elect their representatives to governing and control bodies of the okrug agroindustrial union;
3. To participate in the economic, social and cultural measures of the okrug agroindustrial union;
4. To receive a share of the okrug agroindustrial union's annual profit in accordance with their contribution to the creation of the profit under a procedure established by the board of directors of the okrug agroindustrial union.

Article 12. The members of the okrug agroindustrial union shall have the following duties:

1. To abide by the statute and execute the orders and decisions of the collective bodies of the okrug agroindustrial union;
2. To share in supporting the administration of the okrug agroindustrial union in accordance with the established procedure;
3. To submit to the okrug agroindustrial union a report on its activity in the form and at the times established by the prescriptive enactments;
4. To notify the okrug agroindustrial union when it holds its sessions and conferences, as well as of the decisions that are made.

Article 13. (1) Membership in the okrug agroindustrial union shall be terminated in the following ways:

1. At the request of the members on the basis of a decision of their collective administrative bodies with effect from the date of the decision of the board of directors of the okrug agroindustrial union;
  2. By expulsion for nonobservance of the statute or decisions of the okrug agroindustrial union. Termination shall be effective as of the date of the decision of the board of directors of the okrug agroindustrial union;
  3. Due to the dissolution or reorganization of the union-member economic organization, with effect from the date of dissolution or reorganization.
- (2) Expulsion from the okrug agroindustrial union of an agroindustrial complex and other economic organizations which are also directly members of the National Agro-industrial Union shall be effective from the date of approval of the decision by the Central Council of the National Agroindustrial Union.

#### Chapter IV. ADMINISTRATIVE AND CONTROL BODIES

Article 14. (1) The okrug agroindustrial union shall be administered on the basis of consistent application of the Leninist principle of democratic centralism and the state socialist principle.

(2) The collective administrative bodies of the okrug agroindustrial union shall be the following: okrug conference, board of directors, control council, and executive bureau.

Article 15. The highest administrative body of the okrug agroindustrial union shall be the okrug conference, in which shall participate delegates of union-member agricultural and other organizations and units, elected at their general meetings in accordance with fixed representation standards.

Article 16. (1) The okrug conference shall be convened every 2 or 3 years.

(2) An extraordinary okrug conference shall be convened by decision of the board of directors of the okrug agroindustrial union or by request of at least one-third of the members of the union, as well as by decision of the Central Council of the National Agroindustrial Union.

(3) The okrug conference shall conduct its session if at least two-thirds of the elected delegates are there present, and make decisions by ordinary majority except, on questions of amending the statute of the okrug agroindustrial union and electing the union's board of directors and control council, by at least two-thirds of the delegates present at the conference.

Article 17. The okrug conference of the okrug agroindustrial shall:

1. Adopt and amend the statute of the union;

2. Decide the question of reorganizing and dissolving the union;
3. Determine the number of, and elect by secret ballot, the members of the board of directors and the control council and the chairmen thereof;
4. Adopt the basic directions to be followed and the long-term programs for the development of the okrug agroindustrial union, and accept the reports on the activity of the board of directors and the control council of the union.

Article 18. The board of directors of the okrug agroindustrial union shall be elected by the okrug conference for a term of 2 or 3 years with a membership of up to 61 persons. It shall direct the entire activity of the union during the period between conferences in accordance with the prescriptive enactments, the model statute and decisions of the conference.

Article 19. The board of directors of the okrug agroindustrial union shall:

1. Adopt the five-year and yearly counterplans of the union and report on its activity to the okrug conference, to the Central Council of the National Agroindustrial Union and to other state and social bodies and organizations;
2. Adopt the administrative structure and the regulations on the organization of wages of the union and its subdivisions;
3. Determine the powers and responsibility of the executive bureau of the union;
4. Make decisions regarding the admission of new members;
5. Accept reports and proposals of the executive bureau and of members of the okrug agroindustrial union and make decisions regarding them;
6. Consider findings of the control council of the okrug agroindustrial union and make decisions about them;
7. Convene the okrug conference of the union and define its agenda;
8. Determine the number and elect the members of the executive bureau of the okrug agroindustrial union and the deputy chairmen;
9. Rule on decisions of the executive bureau, countering unlawful ones and amending or halting inadvisable ones;
10. Remove before expiry of their mandate members of the board of directors who have not justified the confidence of the union, or add new members.

Article 20. (1) The board of directors of the okrug agroindustrial union shall conduct its sessions with more than half of its members present. Decisions shall be made by ordinary majority.

(2) The members of the control council, specialists, heads of economic organizations with which the okrug agroindustrial union has business relations, and the chairmen

of public organizations may participate in the sessions of the board of directors with a voice but no vote.

Article 21. (1) The executive bureau of the board of directors shall be the executive and administrative body of the union and perform direct day-to-day supervision of the entire activity of the okrug agroindustrial union.

(2) The executive bureau of the board of directors of the agroindustrial union shall consist of seven to 12 persons. The chairman and deputy shall be included in this number.

(3) Members of the executive bureau shall be severally and collectively liable for damages done to the union that are a result of their illegal, statute-contravening decisions, actions or failures to act.

(4) Between sessions of the executive bureau, the chairman of the board of directors of the okrug agroindustrial union shall carry on day-to-day supervision of the activity of the okrug agroindustrial union.

(5) The chairman of the control council shall without fail participate in the sessions of the executive bureau with the right to speak but no vote.

Article 22. (1) The executive bureau shall act on behalf of the common interests of the members of the okrug agroindustrial union with superior bodies of the National Agroindustrial Union and other economic systems, as well as with state administrative bodies and public organizations.

(2) Within the limits of the powers delegated to it by the statute and by the board of directors of the okrug agroindustrial union, the executive bureau may make decisions to call members of the okrug agroindustrial union to a property and administrative accounting for violation of the statute, nonfulfillment of the decisions of the collective administrative bodies, and for damage done to the union or to its members, in conformity with the prescriptive enactments currently in effect.

Article 23. The executive bureau shall work in close cooperation with the okrug committees of the Fatherland Front, the DKMS [Dimitrov Communist Youth Union] and trade-union bodies in considering and making decisions involving their joint activity, in conformity with the prescriptive enactments.

Article 24. (1) The control council of the okrug agroindustrial union shall consist of 21 persons. It shall:

1. Monitor the entire economic, financial and other activity of the okrug agroindustrial union and member organizations thereof;
2. Follow up on fulfillment of the decisions of the board of directors and executive bureau of the okrug agroindustrial union and of superior bodies of the National Agroindustrial Union;
3. Perform state control functions delegated to the okrug agroindustrial union by the relevant prescriptive enactments;

4. Monitor the protection of socialist property and observance of the socialist rule of law;
5. Methodically supervise and coordinate the activity of the control councils and control links in the member organizations of the okrug agroindustrial union and units of the National Agroindustrial Union in the territory of the okrug.
  - (2) The chairman of the control council may, in accordance with rights delegated by the board of directors of the okrug agroindustrial union, impose penalties on officials of member organizations for violations or for damages done, in conformity with the Labor Code.

Article 25. The control council of the okrug agroindustrial union shall be convened by the chairman at least once every 3 months. Sessions shall be conducted with more than half of its members present. Decisions shall be made by ordinary majority and shall be binding for member organizations, bodies and officials within the system of the okrug agroindustrial union.

#### Chapter V. MONIES AND FUNDS

Article 26. (1) The okrug agroindustrial union shall perform its economic activity applying the principles of profit-and-loss accounting and self-support.

(2) The amount of support and deductions for funds of the okrug agroindustrial union shall be determined by the board of directors of the union.

Article 27. (1) The following monetary funds shall be established in the okrug agroindustrial union:

1. Expansion and Technical Improvement Fund;
2. Social Welfare and Cultural Measures Fund;
3. Reserve Fund (with a separate Crop Failure and Disasters Account);
4. Wage Fund;
5. Foreign-Exchange Fund.

(2) The economic organizations within the system of the National Agroindustrial Union shall make deductions from their funds in order to provide payments for the pro-rata participation of their units in the centralized monetary funds of the okrug agro-industrial unions.

(3) By decision of the economic organizations and units that are members of the okrug agroindustrial union, the monies in their Social Welfare and Cultural Measures Funds may be centralized for the building of joint projects and the staging of other common social and cultural measures.

**Article 28.** The executive bureau of the okrug agroindustrial union shall have the power to make disposition of the fund monies.

**CONCLUDING EDICTS**

§1. The okrug agroindustrial union shall be represented and bound by the chairman and one more member of the executive bureau of the okrug agroindustrial union.

§2. The okrug agroindustrial union may represent and defend the interests of member economic organizations before state and other public bodies and organizations, in court, arbitration etc., through persons empowered by the chairman.

§3. The statute of the okrug agroindustrial union, approved by the okrug conference, is to be registered according to established procedure at the National Agroindustrial Union.

§4. This model statute has been adopted by the Central Council of the National Agro-industrial Union on the basis of article 15, subparagraph 6, of the Statute of the National Agroindustrial Union (DURZHAVEN VESTNIK, No. 41/1979) and supersedes the Model Statute of the Okrug Agroindustrial Union (published in DURZHAVEN VESTNIK, No. 41/1979, amended and supplemented in No. 11/1981).

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CZECHOSLOVAKIA

'RUDE PRAVO' STRESSES COUNTERPLAN INITIATIVE FROM BELOW

Prague RUDE PRAVO in Czech 28 Apr 82 p 1

[Unsigned article]

[Text] The Set of Measures for Improving the Planned Management System of the National Economy introduces a method of counterplan initiative. Its implementation in practice, especially in industrial enterprises, is progressing slowly and with difficulty. While hardly anybody found the necessary time for the preparation of counterplan initiative last year--though the text of the Set of Measures has been known for 9 months by that time--insufficient attention has been paid to the preparation of the counterplan initiative for this year. Much less has been done than necessary. The results are unsatisfactory. Good counterplan initiatives are rare as hen's teeth. While many plans are called counterplan initiatives, they in fact are not. Rather, they suggest that the meaning and purpose of counterplan initiative are not quite clear.

This can be illustrated in the case of an enterprise whose managers think that they have put together such a plan. They stated: "We have assigned increased tasks to every workshop, worked out technical enforcement, and informed the workers." However, this is not counterplan initiative because it lacks the most important element, namely, initiative and proposals on the part of workers on how to achieve more than is targeted by the existing planning procedure. Where are initiative, experience, and proposals by the people in all production sectors?

In the abovementioned enterprise they have a good plan because it contains more than one would expect from this enterprise. However, they have to ponder much more about how to correctly prepare a counterplan initiative. In the first place, they must get rid of the lack of confidence among their workers and foremen, stop considering them as mere executors of assigned tasks and look on them as collaborators who are as interested in the results of the enterprise as are the managers. All employees of the enterprise are interested in the ultimate results because of wages and bonuses. Why then should they not express themselves on such questions as development of production, how to secure it, economizing, and efficiency improvement?

It would seem that the second quarter is not exactly the most suitable time for reflections on how to prepare and put together counterplan initiative.

Why not do so during the third and fourth quarters? To think this way would mean to lose valuable time, underestimate the worth of a well thought-out counterplan initiative, accept a priori lesser demands and, subsequently, lesser achievements. In fact even the second quarter represents a some wasted time. When we all accept as a matter of fact a thorough preparation of counterplan initiative in our enterprises, we will realize that a good proposal must be prepared and secured really from the beginning of the year.

One can object that to prepare counterplan initiative prior to the announcement of all demands from the enterprise is premature. However, even such objection would suggest the misunderstanding of the purpose of the introduced method. One should not think that proposals stemming from workers are to be only some kind of immediate response to the tasks spelled out in the plan whose purpose is to surpass these tasks somewhat. Such understanding of the problem would be too simplistic and basically formalistic.

Proposals for the preparation of counterplan initiative or, to put it differently, individual sectorial prerequisites must be the aggregate of proposals of all workers concerning the improvement of work, achievement of higher efficiency, improved evaluation of savings of materials and energy, utilization of basic resources and manpower savings. In other words, we are talking about a goal-oriented discovery of potentials which obviously exist everywhere and the creation of prerequisites for the use of these reserves. However, it would be difficult to achieve this when planning from day to day or from month to month. Such interventions in the production process must be well thought-out and long-range, permanent, and systematic.

For this reason, the preparation of counterplan initiative must be on the agenda of production meetings. Collection of ideas and proposals, preparation of their implementation be it by their authors or with the assistance of the enterprises' technical groups require a good organization. This of course does not remove responsibility from the shoulders of technical groups to prepare their own proposals and secure them. The preparation of counterplan initiative is a worthy question for meetings of brigades of socialist labor, complex rationalization brigades, and improvers.

And there is no doubt that the process of the preparation of counterplan initiative is a matter for party, trade union, and youth organizations whose committees should consistently develop mass political work and regularly check on the progress of the preparation.

Counterplan initiative is a way for putting together a plan from below. Is there a risk that a plan which would be put together in such a way could be at variance with the tasks imposed from above? Only theoretically and exceptionally. After all, the workers of our enterprises know well what our national economy expect from them and what is its interest. Thus, they hardly would propose different production or different proportions. Our workers know well which products are best sold on foreign and domestic markets, what their standards and quality are. This in itself guarantees the direction of efforts for better efficiency. They also know well that every improvement in quality or technical-economic level of products is favorably

projected in the fulfillment of material incentive funds. They also know that they must reduce the material cost of production. And they also know that the tasks increase from year to year in response to the growing demands of the people.

To strive for a permanent and systematic improvement of effectiveness in production is primarily a responsibility of the managers. However, as a well-known proverb says--two heads are better than one. The complex economic situation requires that no good idea or experience be wasted or remain unutilized. And this is not possible without inviting all workers' collectives to solve the problem and actively participate.

Counterplan initiative thus requires that we unceasingly remind workers' collectives and individual workers to come forward with their proposals on the basis of which we will introduce measures making it possible to achieve better, more effective and higher-quality production. In other words, it will be possible to accept more demanding tasks than suggested in the directives for the drafting of the plan.

The acceptance of counterplan initiative contains a variety of material advantages. For instance, it makes it easier to fulfill the goals of various funds, especially the wage fund. But it also has great moral-political significance. Precisely because the volume and level of tasks are determined on the basis of proposals stemming from our workers, their authors will feel personal responsibility for the implementation of these tasks. This will also positively stimulate the workers' consciousness and their attitude toward work. It will lead them to ask a lot from themselves and other members of the worker worker's collectives.

In those places where people are dragging their feet in respect to counterplan initiative or try to circumvent it through a kind of pseudocounterplan initiative, managers remain isolated as far as the solution of problems is concerned. They are not using more obvious possibilities. To introduce the above method into practice is not easy. It requires a lot of patient explanation and winning people over. However, in every case it leads to better results. The solution of complex problems of production can be achieved only through the cooperation of all workers.

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CSO: 2400/228

CZECHOSLOVAKIA

PUNISHMENT FOR ECONOMIC CRIMES EMPHASIZED

[Editorial Report]

AU061335 Prague TRIBUNA No 17 in Czech on 28 April carries on page 12 a 2,400 word report by CPCZ Central Committee member Jaroslav Kojzar, entitled "Losses Which Can Be Prevented; It Depends on Every One of Us," and dealing with a roundtable discussion in conclusion of a series of articles, published in the weekly over the last 6 months or so and discussing unnecessary losses to the CSSR economy caused by "fires, explosions, animal deaths, health protection and labor safety deficiencies, incorrect price transactions and failure to adhere to economic discipline."

The discussion participants include Alois Proks, CPCZ Central Committee department head; Jan Pjescak, CSSR deputy minister of interior; and Karel Novak, deputy minister of interior of the Czech Socialist Republic.

Among other things, the discussion participants note that acts leading to the losses mentioned above fall under the category "economic criminality" and that, "deplorably, last year the number of these felonies and offences increased, even if not very much. But viewed within the long-term development we have a decrease," the participants note, adding that "during the Sixth 5-Year Plan, 147,575 economic felonies and offences were uncovered in the Czech Socialist Republic; there were also 5,473 extraordinary events," and the "material losses amounted to almost Kcs2.25 billion." They point out that these figures cover only the investigated cases and thus "do not give the true picture of the real extent and dynamics of economic criminality." The participants go on to deal with violations of economic discipline (said to be caused by bad organization, management work, planning and control, as well as by the wish to secure material in short supply for the enterprise, to ensure bonuses at any price, to acquire commodities for bribes, and to improve the financial results of the enterprise economic activity, mostly by overcharging for work or by billing for work not done);

—with bribes (through unjustified remuneration and gifts, in order to acquire commodities and materials in short supply, as well as for certain kinds of services, for getting a well-paid job, and also bribes to workers in education, the medical sphere and national committees; in 1981, 534 such cases were said to have been uncovered, that is 79 more than in 1980);

--with stealing of socialist property (in 1981, 7,272 such acts were said to have been ascertained in the CSSR, and damages amounted to Kcs38 million);

--with "extraordinary events" (not specified; in 1981 there were said to have been 851 such events, involving losses amounting to Kcs 490 million and costing 184 lives);

--with unpermitted business activities (said to have increased in recent years, in the form of violations of price regulations and technological discipline, billing for work not done and so forth; the effect of such acts is said to be seen in monthly incomes of individuals exceeding Kcs 10,000, and in financial advantages for unified cooperative farms and other organizations, ascertained in more than 100 cases; the calculated damage is said to amount to several tens of millions Kcs);

--with the "felony" of producing waste products (damage is said to run into tens of million Kcs);

--with the causes of economic criminality (a total of 3,416 felonies perpetrated in the CSSR during an unspecified period is noted; the causes are seen in insufficient enterprise control; in the old age of guards, who cannot properly react to extraordinary situations; in the employment of ex-convicts in responsible functions in bookkeeping, storage departments and in commerce);

--and with the measures to be taken (above all, for educating working people by party bodies, trade unions, and social organizations to realize the impact of economic criminality and to point out antisocial activities of individuals; economic managements are enjoined to take effective preventive measures and tighten their control; and personal liability for damages caused should be stricter).

CSO: 2400/252

## CZECHOSLOVAKIA

### BRIEFS

SHEEP, WOOL PRODUCTION--By 1 January 1981 there were 909,677 sheep in the CSSR, 307,771 of them in the Czech Socialist Republic and 601,966 in Slovakia. The number of sheep per hectare of agricultural land was thus 12.8 statewide, 6.8 in the Czech lands and 23.5 in Slovakia. The corresponding numbers for cattle are 73.2 (statewide), 81.1 (Czech Socialist Republic) and 59.8 (Slovakia). In 1980 the procurement organization purchased 4,009 tons of wool, which was 4.41 kilograms per head. The domestic production of wool covers only roughly 10 percent of the Czechoslovak textile industry's need. The remaining 90 percent has to be imported at an average annual cost of Kcs 1.5 billion. Some 7 percent of the imported wool comes from socialist countries, 93 percent from non-socialist countries, mostly from Australia, New Zealand and Latin America. The long-term concept of the CSSR Ministry of Agriculture and Food envisages 1.4 million sheep and annual wool production of roughly 6,400 tons by 1990.

[Prague ZEMEDELSKE NOVINY in Czech 31 Mar 82, Supplement p 3 AU]

IRRIGATION PLANS--On 1 January 1981 Czechoslovakia had 6,764,000 hectares of agricultural land, of which 4,796,000 hectares were arable land. According to long-term plans, by 1985 there should be irrigation facilities on about 552,400 hectares and by the year 2000 on 1,086,000 hectares statewide. At present, irrigation facilities exist on roughly 50 percent of the area planned for 1985.

[Prague ZEMEDELSKE NOVINY in Czech 3 May 82 p 3 AU]

FODDER ROOT CROPS--The area of cultivation of fodder beets and other fodder root crops in the Czech Socialist Republic declined from an annual average of 37,000 hectares in the 1971-1975 period to an annual average of less than 20,000 hectares in the 1976-1980 period, and only slightly more than 15,000 hectares in 1981. According to Eng J. Brokyl, candidate of sciences, deputy director of the Institute for the Scientific System of Management, the results of a 1977-1980 analysis of samples of fodder beets showed this root crop to be in many respects superior to other fodder crops. A long-term plan therefore envisages an expansion of the area of cultivation of fodder root crops to 35,000 hectares by 1985 and, ultimately, to 90,000 hectares. Given average hectare yields of 70 tons, the 90,000 hectares of fodder root crops will make up for 350,000 to 400,000 tons of grain. [Prague ZEMEDELSKE NOVINY in Czech 3 May 82 p 3 AU]

PRIVATE PLOTS, PRODUCE--According to Stefan Ferencei, Slovak minister-chairman of the people's control committee, Jan Gajdos, the committee's deputy chairman, and other committee members attending a Bratislava press conference on 13 April, about 36,000 people in Slovakia have been permitted to use plots for

planting vegetables and fruit and for breeding small animals. About 12,000-13,000 hectares of further plots are not yet utilized, as would be desirable. The plot users are producing 150,000-200,000 tons of vegetables and 100,000-120,000 tons of fruit annually, thus contributing to the domestic market and usefully spending their free time. The possibilities of contractual animal breeding for slaughter are not yet being fully utilized by plot users.  
[Bratislava ROLNICKE NOVINY in Slovak 14 Apr 82 pp 1, 2 AU]

PRIVATE PLOTS IN SLOVAKIA--At present small plot holders in Slovakia have at their disposal 187,000 hectares of land. At present it is being checked where there is still unused land for distributing among small plot holders; the 12,000-13,000 hectares already ascertained could help produce at least Kcs 10 billion worth of agricultural produce. About 8.2 million of the more than 13 million fruit trees in Slovakia are tended by small plot holders and produce 100,000-120,000 tons of fruit annually; that is up to 70 percent of the total production in Slovakia. Of this amount, more than 50,000 tons are being procured by procurement and trade organizations. [Bratislava SMENA in Slovak 14 Apr 82 pp 1, 3 AU]

FIRE IN SLOVAKIA--In the first 3 months of 1982 there were 305 fires in Slovakia, which cost 12 human lives and caused damage amounting to Kcs 16.5 million. This March alone there were 107 fires in Slovakia; two people died and the damages are estimated at Kcs 7 million. This is six fires more, and Kcs 6 million less, than in March 1981. But the one fire in the middle of March in the Bratislava Electrotechnical Works destroyed Kcs 3.5-million worth of finished products, and Kcs 1.5 million-worth of technical equipment.  
[Bratislava PRAVDA in Slovak 14 Apr 82 p 2 AU]

FOREIGN WORKERS--In keeping with intergovernmental agreements, about 20,000 foreign workers (excluding apprentices) are currently working in the CSSR; more than 14,000 of them come from Vietnam. By 1985 more than 30,000 young people from Vietnam, Cuba, Mongolia, Algeria and elsewhere will have acquired professional qualifications in the CSSR. [Bratislava PRAVDA in Slovak 13 Apr 82 p 2 AU]

PLANNED CAR IMPORTS--According to Ladislav Loula, deputy general director of the Motokov Foreign Trade Enterprise, the CSSR will import 3,500 Zhiguli [Lada in the West] passenger cars from the USSR this year, and that figure will remain unchanged throughout the current 5-year plan; 9,000 cars from the GDR, of which 3,000 will be Trabants; about 1,500 Dacias of the 1310 type from Romania; and Via Tuzex 150 Fiats 127; 150 Fiats Mirafiori and a few Ford Escorts and Volvos 244. [Bratislava SMENA in Slovak 8 Apr 82 p 2 AU] Motorcycles will not be imported this year. [Bratislava PRAVDA in Slovak 8 Apr 82 p 2 AU]

COOPERATION WITH ROMANIA--Milan Kubat, CSSR minister of electrotechnical industry, and Gheorghe Petrescu, Romanian minister of machine-tool industry, electrical engineering and electronics, discussed on 29 April in Prague specialization and cooperation in production, as well as collaboration in measuring and laboratory apparatus, electrotechnical material, numerically controlled machine tools, nonexplosive electrical engines, electronic consumer goods and television sets. The ministers signed a protocol specifying the provisions of the treaty concluded in Bucharest on 19 December 1981. The same day Minister Perescu was received by Ladislav Gerle, CSSR deputy premier, in the presence of Romanian Ambassador Cornel Panzaru. [AU031645 Prague RUDE PRAVO in Czech 30 Apr 82 p 2]

NEW RAILROAD LINE--A new railroad line between Usti nad Labem and Teplice will go into operation in about a week. The new line replaces a railroad section which had to make way for the expanding brown coal extraction at the Chabarovice strip mine. The cost of the new 2-track 10 km long rail line was almost Kcs 1.2 billion. [Prague RUDE PRAVO in Czech 14 May 82 p 2 AU]

NEW FACTORY PROJECT--The foundation stone for a new machine-tool production plant was laid on 14 May in Spisska Nova Ves, Slovakia. The costs will amount to Kcs 206 million and the project is to be completed within 40 months. [Prague PRACE in Czech 15 May 82 p 3 AU]

CSSR-AUSTRIAN COOPERATION--The session of mixed Czechoslovak-Austrian commissions for trade and for economic and industrial cooperation was opened on 17 May in Vienna. The session will end on 21 May. [Prague RUDE PRAVO in Czech 18 May 82 p 7 AU]

GOVERNMENT COMMITTEE SESSION--The government committee for matters of the planned management of national economy convened on 5 April in Prague under Leopold Ler, CSSR minister of finance and the committee's chairman, to discuss progress in working out the comprehensive programs of developing the management of federal departments, matters concerning the improvement of material norms, and the possibilities of appraising enterprises according to the fulfillment of economic contracts. [Prague RUDE PRAVO in Czech 6 Apr 82 p 2 AU]

SLOVAK LABOR FATALITIES--At Slovak workplaces last year a total of 235 persons lost their lives; this is 35 more than in 1980. In the first 2 months of this year, the number of fatalities stood at 34. [Bratislava PRAVDA in Slovak 7 Apr 82 p 1 AU]

COOPERATION WITH CYPRUS--The mixed commission for trade between the CSSR and Cyprus conducted negotiations on the premises of the CSSR Ministry of Foreign Trade in Prague on 27-29 April; the CSSR was represented by Jaroslav Jakubec, CSSR deputy minister of foreign trade, and Cyprus by Michael Brotocritos, director general of the Cypriot Ministry of Trade and Industry. The results of the talks were summed up in a concluding protocol. The Cypriot delegation was also received by Bohumil Urban, CSSR minister of foreign trade, and Mecislav Jablonsky, CSSR deputy foreign minister. [Prague RUDE PRAVO in Czech 30 Apr 82 p 2 AU]

COOPERATION WITH IRAQ--Representatives of the Strojexport Foreign Trade Enterprise signed these days in Baghdad a contract worth more than \$100 million, according to which CSSR construction enterprise employees will be helping ameliorate 13,000 hectares of land between the Euphrates and Tigris rivers in the next 4 years. [Prague RUDE PRAVO in Czech 30 Apr 82 p 6 AU]

COOPERATION WITH USSR--Cyril Smolik, member of the Central Trade Union Council's secretariat and chief editor of the daily PRACE, who is currently visiting the USSR at the invitation of the USSR daily TRUD, was received in Moscow on 29 April by S. Shalayev, AUCCTU chairman. The latter "appraised the high level of negotiations" at the recent 10th All-Trade Union Congress in the CSSR.

During his visit C. Smolik was also received by AUCCTU Secretary K. Matskyavichus; and with L. Kraychenko, chief editor fo the daily TRUD, he discussed and signed a cooperation agreement between PRACE and TRUD which should help deepen the dailies' share in realizing the conclusions of trade union congresses. [Prague PRACE in Czech 30 Apr 82 p 2 AU]

DIFFICULTIES WITH GAS SUPPLY--According to Miroslav Prikryl, CSSR deputy minister of fuels and power, the ranking personnel of the country's gas and oil industries had assessed results achieved in the past winter period. During a consultation they noted, among other things, "problems that exist in the lighting gas subsystem, which works practically without reserves and whose high reliability is the fundamental prerequisite of operation. Despite the considerable extent of last year's repairs and other work connected with preparations for the winter, efforts did not succeed in stabilizing deliveries from the 25 February fuel combine in Vresova, and the output of the pressure gas works of the Czechoslovak-Soviet Friendship Chemical Enterprise in Litvinoy had considerably dropped. The consequence was a drop in pressure at the networks' terminals in the North Bohemian, West Bohemian, North Moravian and East Slovak region," where consumption had to be considerably curtailed, Prikryl said. [Prague RUDE PRAVO in Czech 6 May 82 pp 1, a AU]

SOVIET RAW MATERIAL DELIVERIES--In 1981, the Soviet Union delivered to the CSSR 17 million tons of iron, manganese and chromium ores, ferro-alloys and pig iron; 100,000 tons of aluminum; 2.2 billion kilowatt hours of electricity; 32 tons of asbestos; 60,000 tons of ammonia; 165,000 tons of apatite concentrate and more than 300,000 tons of fertilizer. [Pargue MLADA FRONTA in Czech 6 May 82 p 5 AU]

TREATY WITH DENMARK--A Czechoslovak-Danish treaty on the prevention of double taxation in the sphere of income and property taxes was signed in Prague on 5 May by CSSR Minister of Foreign Affairs B. Chnoupek and by Asgar Rosenstand Hansen, Danish ambassador to the CSSR. [Prague RUDE PRAVO in Czech 6 May 82 p 2 AU]

MOTORCYCLE PRODUCTION--The CSSR produces annually about 120,000 motorcycles with a capacity of less than 50 cubic meters, and more than 130,000 larger ones. Last year more than 60,000 Jawa motorcycles were sold to the USSR; this year's contract calls for sales of 71,000 machines, as payment for imports of Soviet crude oil, gas and iron ore. In terms of money this amounts to Kcs1 billion. The motorcycles exported to the USSR come from the Jawa national enterprise in Tynec nad Sazavou. Apart from that, the Strakonice works are selling the USSR almost 20,000 350-cubic meter motorcycles. [Prague RUDE PRAVO Weekend Supplement in Czech 15 May 82 p 5 AU]

CSO: 2400/252

GERMAN DEMOCRATIC REPUBLIC

SED CENTRAL COMMITTEE ACADEMICIAN REJECTS ECONOMIC REFORM IDEAS

East Berlin BERLINER ZEITUNG in German 25 Feb; 4, 18, 25 Mar; 1, 15, 29 Apr 82

[Article in seven installments by Prof Dr Otto Reinhold, economist, member, SED Central Committee; rector, Academy of Social Sciences, SED CC: "The 1980's and the Concept of Developed Socialism"]

[25 Feb 82 p 9]

[Text] How Will the Vital Questions Be Resolved? On the Strategy and Tactics of the SED

How is the SED Program being further implemented under the new internal and external conditions? What demonstrates the effectiveness of the SED economic and social policy concept? By which means are the tasks to be coped with? That is what Prof Dr Otto Reinhold deals with in the first installment of his article series on the SED's concept of social development in the GDR in the 1980's.

The issue of a promising concept of economic and social policy came to the fore at the start of the 1980's in all developed industrial countries--both the socialist and the capitalist states. International and domestic conditions have changed fundamentally. What is being done about them?

Since 1979 it has been possible steadily to accelerate economic growth in the GDR. National income rose by 3.8 percent in 1979, 4.2 in 1980, and 5 in 1981. By its M 9 billion, our country reached its largest absolute increase in history. It was the basis for reaching important sociopolitical aims.

The result was attained mainly, of course, through the arduous and industrious efforts of millions of working people. But it was equally much the result of a clear program, of the effective SED strategy and tactics for the economic and social development of the GDR in the 1980's.

## The Old Recipes of Imperialism

How is imperialism reacting to the new questions? The United States and other NATO states resort to many old imperialist recipes which, to be sure, have never been able to resolve any fundamental problem in capitalist society, yet a doomed society evidently cannot develop new creative ideas. The crux is the attempt to surmount internal contradictions and crises by military adventure, unprecedented arms buildup and confrontation policy. By now it is clear this not only greatly endangers peace and security, it also greatly increases internal social contradictions.

This policy includes a maximal encouragement to corporate profits at the expense of the workers class; they hope increased investments will gear up the economy. The enormously increased massive unemployment has for months led in many capitalist countries to a discussion on so-called employment programs. But no one seriously believes new jobs could be created through measures dictated by corporate profit interests. At a symposium these days of executive managers of the capitalist world in Davos, this statement was made: "We are dealing right now not just with a small cold in the business cycle but are confronted with a painful and gigantic structural change." Clear is that neither the ruling circles in the United States nor those in other parts of the world have any program by which to cope with the problems of the 1980's in the interest of the whole society.

In contrast, the SED and the CPSU and other Marxist-Leninist parties in socialist countries have a clear program for economic and social development in the decade ahead. That program proceeds from a fundamental realization: To the degree that they succeed in effectuating the potentials and possibilities, advantages and impulses of socialism, the needed economic growth and the rapid performance improvement of our economy for resolving difficult tasks of the years ahead will be accomplished. In other words: the centerpiece in the SED's strategy and tactics is the consolidation of the socialist order, the continued shaping of developed socialism in our country.

The economic and social policy issued by the 10th SED Congress lets itself be guided by proven theoretical principles--by Marxism-Leninism in general and by the concept of developed socialism, in particular.

The concept of developed socialism proceeds from that now, with the foundations of socialism in place, a longer historic period is needed to bring the advantages and impulses of the socialist social order fully to bear. This places the emphasis especially on three fundamental processes and tasks.

## Prerequisites for Social Progress

First, developed socialist society means that socialism now develops on its own socioeconomic foundations. An efficient material-technical base has been created, socialist production relations are prevailing extensively, and a stable socialist state exists. The basic task now is to make full use of this socioeconomic base in the interest of the entire people. For the economy this means primarily proceeding to a comprehensive extent toward intensively expanded reproduction, organically combining the scientific-technical revolution with the advantages of the socialist order, and releasing the impulses and public activity of all working people in the effort for the highest efficiency.

Second, the shaping of the developed socialist society produces the prerequisites for establishing the unity of economic and social policy and for inseparably linking economic growth and scientific-technical progress with a systematic improvement of the material and cultural standard of living, with social progress. That is, objectively, the key issue, the main task in the shaping of the developed socialist society. On the one side, it expresses that economic activity in socialism has no other goal but raising the standard of living; therein lies the meaning of socialism. At the same time, the policy of the main task is a fundamental condition, especially, for coping with the tasks of the 1980's. For from it grow those social impulses and activities of the working people that are necessary for it.

Third, our policy deems economic activity the focal point of all efforts. On their results largely depends the progress in all other domains of public life. Vica versa, economic progress greatly depends on the development in all other domains. From the planned organization of correct interrelations, the crucial potentials and advantages of socialism arise. That makes the dialectical interrelations between economic and social policy so important, equally important as the organic connection between the scientific-technical revolution and the advantages of socialism, the effective combination of science-technology-production, the connection between economics and ideology. The unity of economic and social policy is of course a crucial impulse. But translating it into social activity mainly depends on consciousness development, on the thoughts and actions of all working people.

#### Centerpiece of Social Policy in Practice

After thorough scientific efforts and extensive discussions, the 10th SED Congress issued the intensification program summarized in 10 points. This is the centerpiece of the SED's social policy in practice for the decade ahead. Involving the working people in the implementation of this policy is of course not a one-time task. That has to be resolved day after day, always anew. An analysis by a West Berlin economic institute recently arrived at the following conclusion: "The GDR's strong economic growth last year is attributable, among other things, to energy saving, enhanced production refining, production coordination and increased rationalization." Economic researchers furthermore record an improved coordination of ancillary supplies, a stronger integration between research and production, and higher individual labor performance.

The outcome of economic development in 1981 demonstrates not only that we have accepted the challenges for the 1980's but that we have already started coping with them successfully in practice.

[4 Mar 82 p 9]

#### [Text] On What Is Our Confidence Founded? Making Use of the Advantages of Socialism

On what then actually is our confidence founded that the GDR will successfully carry on the main task in the 1980's and can accomplish the economic growth that is needed? This question arises of course as soon as one reflects on the great changes that have taken place in recent years in international life and in the GDR as well. SED policy would not be scientific and not Marxist-Leninist, had it failed to raise this question and give a clear answer to it through the 10th party congress.

## All Potentials for Safeguarding Peace

Essential conditions for economic and social policy have changed of course at the beginning of the new decade. Also evident is, however, that the causes, manifestations and effects of these changes differ. While these new conditions raise new complicated problems and tasks burdening the shaping of developed socialism, they also offer new potentials and opportunities.

The central question therefore becomes: Can we cope with the more complicated problems by mobilizing all potentials and possibilities available to us, by using the advantages and impulses of socialism? The SED has given a clearly affirmative answer to that question both at the 10th party congress and the third SED Central Committee plenum. Yet it left no doubt that great efforts and creative achievements are required for it.

Let us look a bit more closely at the two types of new conditions. First there is the exacerbation of the international situation. At the third SED Central Committee plenum, Comrade Erich Honecker pointed out that in the postwar period peace had never been so much in jeopardy as today due to the imperialist arms buildup and confrontation policy. That policy evidently is no short-term episode. The aggressive forces, mainly in the United States, prepared this policy over the long haul in the second half of the 1970's and are pursuing far-reaching aims with it. They seek military superiority over the Soviet Union and the Warsaw Pact to enforce their interests, without constraint, at a global scale and to be able to reverse the direction of historic development. As illustrated by their policy vis-a-vis Poland, a destabilization of socialist countries is supposed to facilitate imperialist interference in socialist society and fundamentally change the international correlation of forces for the benefit of imperialism. Sanctions adopted by the U.S. government in recent weeks clearly indicate that the aggressive imperialist circles seek to draw all domains of public life into their confrontation policy.

This results in some fundamental implications for SED economic and social policy toward thwarting such imperialist strategy. The SED struggles with all its strength for arms limitation, disarmament and the detente process and, without reservation, backs the peace program of the CPSU. At the same time, together with the Warsaw Pact states, it is taking all measures needed to prevent any unilateral change in the existing military equilibrium in favor of imperialism. That this requires considerable potentials is all too obvious.

For the GDR--located on the dividing line with NATO and in the field of tension between war and peace in Europe--it follows that under the conditions of the imperialist confrontation policy, the solidity of socialism becomes especially important. In the 1970's, that was attained and ensured through the policy of the main task. All imperialist designs to drive a wedge between the party, the socialist state and the people have failed. Therefore, continuing that policy of the main task, ensuring the standard of living attained and elevating it further step by step, is of great weight to ensuring peace and security in Central Europe also for the future. But that in turn requires a high and steady economic growth.

## High Growth Rate Under New Conditions

Among the new conditions is the fact that the sources for an extensive growth of the economy are in fact depleted. For a circa 5-percent growth of the national income, approximately 3.7 percent more raw materials and fuels were available in 1971 to 1975 each year. Now the growth in raw materials per year lies far below one percent, with the energy volume declining absolutely. Nor can manpower and other economic funds be expanded in the years ahead. Among the complicated problems to be coped with are the high requirements placed on foreign trade. They result from the changes on the world markets and the effects the deep crisis in the capitalist world economy has on the GDR.

SED policy includes as a fact that these new conditions have always been thoroughly analyzed and left no illusions about the efforts needed to cope with them. The crucial fact is, however, that the successful development of socialist society has produced considerable potentials and capacities, which will also be produced in the future. Let us adduce the most important ones.

## Practical Proofs for the Advantages of Socialism

--There is the great efficiency of the GDR economy. In our extensive economic intensification, as one knows, we do not start at the zero point. Manpower shortage has compelled us for some years to achieve economic growth mainly through increased labor productivity. Considerable structural changes were introduced into the economy to that end, as the development of microelectronics as the branch that determines our structure, enhanced refining in metallurgy and chemistry, the reprocessing of secondary raw materials and so forth.

--Of the greatest importance is our great science potential, the educational potential together with the historic traditions in science application and the proverbial discipline and quality labor of the workers class and all working people. Everyone knows there are great reserves in this regard that have not yet been depleted.

--The scientific-technical revolution is one of the main sources for a performance boost. Experience has shown that the application of microelectronics makes possible a reduction of specific energy consumption between 10 and 90 percent.

--Of greatest importance furthermore is the planned development of the economy and of science. That makes possible effectively concentrating capacities on the areas that determine the tempo of economic intensification. Through the forming of combines and other measures, changes in management and planning were introduced that are mainly aimed at the intensification of the economic reproduction process. Socialist society makes possible a planned organization of correct interactions between the economy and all other domains of public life. That is the source of great impulses. That also includes the plan cooperation with the Soviet Union and the other countries in the socialist community.

Among the most important potentials mainly also is the leadership role of the party, its ability to resolve tough problems in good time and engage the activity of all classes and strata of the people in it. Under its leadership the practical proof has been furnished meanwhile that it is possible through the potentials and advantages of socialist society to cope with the new conditions of the 1980's. This fact was underlined particularly by the fulfilment of the 1981 national economic plan.

[18 Mar 82 p 9]

### [Text] How Can Growth Be Maintained? Intensification Under New Conditions

The 10th party congress had to take care of a critical question in the SED's economic and social policy: How can we make the national income grow by circa 5 percent annually with approximately the same amount of raw materials, much less energy and the labor force remaining equal? There is no easy answer to that question, especially if we consider that this is not a one-time goal but one that has to be repeated over many years. The only economic growth source under such conditions lies of course in a more intensive use of available potentials and capacities, i.e. an all-inclusive transition toward intensively expanded reproduction.

#### Ways to Improve Efficiency

In his SED Central Committee status report to the 10th party congress, Comrade Erich Honecker therefore made a special point of this:

"Our economic strategy for the 1980's decisively proceeds from an intensively expanded reproduction. This task arrives even from the inherent exigencies in our country. The developed socialist society and mainly its material-technical base are inseparable from an intensive approach to increased economic efficiency. It has to mark economic processes so that the material-technical base more and more attains to its new quality."

This means that the comprehensive intensification of the economic reproduction process becomes an indispensable and critical need under the changed domestic and international conditions. With it, it is a requirement of principle, a characteristic of the developed socialist society.

Even Karl Marx, in his reproduction theory, set down that fundamentally two ways to improve economic efficiency have to be distinguished, intensively or extensively expanded reproduction. "Through briefer or longer periods," he wrote, "reproduction proceeds such that--from the standpoint of society--reproduction develops on an expanding scale, extensively when the field of production is expanded, intensively when the means of production are made more effective." Because we neither have additional raw materials and fuels nor more of a labor force, intensification is the only way.

Of course, even in the 1970's this intensification played an important role. E.g., in the course of the 1976-1980 five-year plan, the specific consumption of raw materials and fuels was reduced by an annual average of 3.9 percent while industrial labor productivity rose by 27 percent. The 10th SED Congress introduced a qualitatively new step in intensification in conformity with the requirements of the years ahead. A comprehensive intensification program was spelled out in the well known ten points in the economic strategy that embraces the entire social reproduction process.

#### Decisions at the Drawing Board and in the Laboratory

What is the importance of principle of this program? First, for the first time in the SED's social policy a complex intensification program is being worked out that

is based on the Marxian reproduction theory and embraces all phases and all domains of the social reproduction process. It does not confine itself to ad hoc measures, however important they might be.

It relates to the economy of both live and embodied labor (raw materials, fuels, basic assets, investment activity). It includes material production as much as all other domains of the economy. Practical experience has shown that particular, random measures in specific fields normally cost extra or call for more of a labor force in the preparatory or subsequent sectors, for which society often has to pay dearly. The use of a few industrial robots as such normally brings little or no economic benefit unless it goes together with new technologies and commensurate changes in labor organization. Therefore, the complex realization of the 10-point program is a basic condition for the success desired.

Second, in connection with this intensification program the place of science has been determined, of the scientific-technical revolution as it relates to an intensively expanded reproduction and, hence, to the economy of developed socialism. Comrade Erich Honecker made the point that the scientific-technical revolution now had become the chief source for economic performance improvements and greater efficiency. This growth is primarily determined today on the drawing boards and in the laboratories. Not one point in the intensification program can be accomplished without an effective application of modern science and technology. The reduction in the specific consumption of raw materials and fuels which is needed for the decade ahead can be brought about only through introducing what are in principle new energy and raw material saving technologies. Yet they are not even conceivable without a broad application of microelectronics or laser techniques. That is true as much of modern high-grade consumer goods of a technical nature. Effective rationalization at a large scale is possible in many economic areas only through applying new operational principles and industrial robots.

Third, along with science, some other new factors are being emphasized in our intensively expanded reproduction. A new importance is given, as a matter of principle, to labor and commodity quality. Most sophisticated high-grade labor and extreme technological discipline are required for the efficiency and reliable functioning of new technologies, especially in the production and broad application of microelectronics.

Uninterrupted rationalization in all economic domains is especially important. Already the tempo of scientific-technical progress has, as one knows, become breathtaking. The way it looks, it will become even faster. Many fields of modern techniques and technologies are marked by a fast turnover constantly of new generations. Often, one generation of equipment has hardly been introduced and already the next one and the one after that one are being readied. Such a change can be coped with only through constant modernization by way of rationalization. In other words, under the conditions of intensively expanded reproduction, a new place value, as a matter of principle, attaches to rationalization, it being the main way to enforce scientific-technical progress in practice, so that it must be carried onward--as the 10th SED Congress has demanded--in vast dimensions and by use of microelectronics and robot technology. Most of our investments must be allocated to that. Only when one controls this rationalization process can one also control the scientific-technical progress.

## Dynamic Change of Our Economy

When the 10th SED Congress spelled out this comprehensive economic intensification program, it made an extremely important contribution, under prevailing domestic and international conditions, to the theory of the developed socialist society. Significant economic management and planning changes were also introduced, through the forming of combines and many other measures, so that we will be able to put this program into practice.

As this intensification cannot be a one-time affair but must become the principal form in which our economy moves ahead, it is incompatible with any prolonged standstill. It is a dynamic, and permanent, change of our economy. One need not be an expert to realize that this also calls for appropriate modes of thinking and conduct, for the readiness and ability, the active endeavor and determination to apply the last word of science and technology effectively, whatever impediments there may be.

[25 Mar 82 p 9]

## [Text] What Does Technological Progress Bring Us? Requirements of Science and Technology

These questions receive completely diametrical answers in the capitalist and socialist countries, as they obviously rely on contrary experiences. A recent FRG survey showed interesting results. According to the survey, 56 percent of the persons queried on the concept of "technology" would find it implies fear; among adolescents between 16 and 20 years of age as few as 23 percent, and between 21 and 29 year-old ones still only 25 percent, would be in favor of a broad application of new technology.

## Closely Entwined With Public Life

Similar surveys in the GDR bring out an entirely different attitude. Here, no one is afraid of the effects it has on one's own living and working conditions. Almost without exception, science and technology are seen here as the crucial condition for maintaining and further improving the working people's material and cultural standard of living. That attitude conforms completely with the remarks made at the 10th SED Congress on the role of the scientific-technical revolution for the further shaping of the developed socialist society in the GDR.

"Science," as Erich Honecker put it at the 10th SED Congress, "has assumed a new role and responsibility. Its linkage with public life, especially with our economy, has reached a higher qualitative level. Any serious and penetrating advance in the development of the modern productive forces has its roots today, and in the future, in scientific knowledge. That must needs place social and economic benefits in the center of our scientific requirements. The key for a much enhanced economic efficiency in the 1980's lies in a much higher economic effectiveness of science and technology."

From this the 10th party congress has drawn the conclusion that the key question for the SED's economic and social strategy is found in a higher organic connection

between the scientific-technical revolution and the advantages of socialism. No comprehensive intensification is either conceivable or feasible without a broad and economically effective use of modern science and technology. Rationalization at large dimensions is as little possible without microelectronics and robot technology as a higher refinement of raw materials and fuels without modern sound scientific procedures. Prosperity, social security and full employment cannot be ensured without steady economic growth, and economic growth is possible today only by means of the scientific-technical revolution.

Compared with capitalism, the socialist society enjoys some fundamental advantages. Only the most important ones can be referred to at this place, of course.

#### Planned Development as an Essential Advantage

--First there is the fact that in socialism science and technology serve solely the interests of the working people: the elevation of the material and intellectual standard of living and the preservation of peace. An inhuman application of science and technology contradicts the socialist order.

--Another essential advantage lies in planned development by means of the socialist production relations. Social management and planning makes possible concentrating the necessary capacities on focal points, as it became apparent in recent years in the fields of microelectronics and robot technology. Within a very brief period it became possible to alter our industrial structure. Optimum interrelations between scientific-technical progress and the other domains of society--e.g. the educational system--also can be established by means of planning.

--Finally, among the most important advantages of socialism is the possibility to establish an inseparable connection between scientific-technical progress, economic growth and social progress. As practical experience has shown, only socialist society can apply modern science and technology in translating them directly into improvements in the working people's working and living conditions.

This is a highly complex process, of course. First we must make the scientific-technical progress prevail in a way that no social conflicts arise from it. One of the most important goals is to cut back as many jobs and release as much manpower as possible. As has been shown in practice, socialism, the socialist planned economy, offers the chance to prepare for that process long-range with the working people. Not only can another job be guaranteed, but the qualifications for it can be prepared and many other social problems can be resolved on behalf of the working people and through their active involvement.

Scientific-technical progress is to us one of the most important tools to resolve other fundamental social tasks going beyond it. For example, the modification in the substance of labor, the scientific transformation of jobs, is an important element in diminishing the essential difference between mental and physical work. Science and technology in agriculture facilitate making urban and rural working and living conditions more alike, and so forth.

The critical question of course is how, at which speed, and with which economic and social benefits the advantages and potentials of socialism are put into practical effect. Important conditions for it have been created in recent years. The most important one was the formation and transformation of the combines. Crucial for their activity is that research, technology, production and sales (including foreign trade) are combined in them under one management, in one economic unit. Furthermore, through the construction of the means of rationalization and in the most important ancillary enterprises essential prerequisites were created for a rapid application of the latest scientific data. Already many combines have managed meanwhile to translate these great potentials they have into practical and economic progress.

Meanwhile, a great number of changes were introduced or enforced in the economic management and planning system, from research management, investment activity, in the performance principle all the way to the activities of the banks, aimed at an accelerated development and more efficient use of modern science and technology. Their success largely depends on how successful we will be in concentrating the initiative of the working people, the competition and innovator movement, and the activity of the youth brigades on the key issues of scientific-technical progress.

#### Rationalization at Large Dimensions

Scientific-technical progress and its economic utilization is an extremely dynamic process. Reducing the specific consumption of raw materials and fuels in the GDR economy by more than 6 percent is not a one-time assignment, after all, but has to be accomplished year after year. A Japanese survey has established that in the early 1980's a product remains new only at an average of 4 years. In the production of microelectronic circuits, approximately after 2 years a new generation comes in.

So we must be perfectly clear about that each newly introduced product and each new technology need to be replaced by new products and new technologies time and time again. From this the 10th SED Congress has drawn the implication that such a dynamic process relies on permanent rationalization at vast dimensions. There is then, in principle, a new weight attached to rationalization. In other words: today only a state that can ensure and control such dynamic changes by means of scientific-technical progress can have a stable economy.

[1 Apr 82 p 9]

[Text] The Foundation of Our Successful Course--State Power and Socialist Democracy

Political power by the working class in alliance with the cooperative farmers and all other working people, stable socialist state power, therein lies the most important condition for successfully shaping the developed socialist society.

"Socialist state power," Erich Honecker affirmed at the 10th SED Congress, "under Marxist-Leninist party leadership, its authority and functional capacity, are the basis and prerequisite for successful advances. That is and remains the cardinal issue of the socialist revolution. Only the political power of the workers class ensures the people's freedom to shape worthy human living conditions for all citizens and the freedom of personality. Our state, as a form of the dictatorship of

the proletariat, represents the interests of the entire people and guarantees freedom and human rights. No one has been and will ever be permitted to touch the socialist state."

### Basic Principles of the Socialist State

Because the socialist state and its practical efforts are the crucial foundation, in all phases of the development, of the socialist society, it is not surprising that the sharpest attacks by the imperialist and social reformist forces are directed against it. Poland's counterrevolutionary development after 1980 has once again borne out this experience of decades. All revisionist notions of socialism, with all their variations, always amount to portraying a socialist society in which the political power of the workers class and the party's leadership role are done away with. Such a society, naturally, would open all gates to antisocialist forces to set up the kind of "socialism" which the monopolies also could accept.

It is implied in the nature of the two systems that the character and goals as well as the forms in the exercise of power differ fundamentally. Only if some basic principles are made to prevail can the socialist state fulfil its tasks in general and those for the shaping of the developed socialist society, in particular. The most important ones may be mentioned here.

First, the inseparable connection between state power and socialist democracy. All working people's active involvement in the management and shaping of the developed socialist society is the key to it. Nothing is more nonsensical than the bourgeois thesis that the political power of the workers class actually is the exercise of power by an elite over the workers class. As historic experience has shown in socialist society, any attempt at despising the interests of the workers class and excluding it from the exercise of power has led to deep social and political conflicts and necessarily had to fail. The might and strength of socialist state power result primarily from the working people's participation in the exercise of power by way of socialist democracy. Each step toward the developed socialist society, to be successful, must rely on the spreading of socialist democracy. Only when linked through many different threads with all working people and by relying on their activities can the socialist state express, represent and enforce the interests of the workers class and of all other working people.

And here we have to remind ourselves that socialism is a society that has done away with exploitation and where there are only classes and social strata with identical basic interests, wherefore they are bonded in friendship.

Therefore, the alliance policy between the workers class and the cooperative farmers, the intelligentsia and the other working people is the political foundation of socialist state power. It is essential here that fundamental interests do agree though many social disparities still exist and are likely to remain for quite some time.

Accounting for, and using, these specific social interests of the cooperative farmers and intellectuals therefore is an important element of socialist democracy.

Of great importance to socialist democracy is the political alliance between the SED and the other parties and social organizations within the National Front. Its activity sees to it that the interests of all classes and strata are expressed through state policy.

#### Firms Ties Between the Party and the People

A special place is taken here by the trade unions, the largest mass organization of the workers and employees. On their activity also depends how, whether, in what form and with what results most working people take part practically in the shaping of socialist society. As the preparations, now under way, for the 10th FDGB Congress show, great activities have developed in the GDR's enterprises and institutions. But still existing reserves have become apparent along with that.

Second, for socialist democracy the Marxist-Leninist party's leadership role is indispensable. The political system of socialism is composed of many social organizations and institutions. Each represents the interests of specific classes and social strata. Only the Marxist-Leninist party can express the interests of the entire working class and all working people in a concentrated fashion. The economic strategy issued by the 10th party congress demonstrates the SED is capable to find an answer to the challenges of the 1980's that conforms with the interests of all working people and evolves from their activities and creativeness.

Political power and socialist democracy are principally determined by the close ties between the party and the whole people. Such ties are not a one-time matter; they must be brought to realization in all public domains day after day. Loosening and undermining these ties is the most important target of all enemies of socialism. Reinforcing them constantly is the most important task of the communists; for all working people it holds the essential guarantee for that their interests are in fact made to prevail in practice.

#### Everyone Can Exercise Democratic Rights

Third, a characteristic of socialist democracy is its being enforced in all public domains. For the first time in history, it can prevail in the most important field, in the economy. He who exercises power in the economy can also crucially affect developments in all other public domains. That is why the ruling imperialist circles do their best to prevent the workers' and employees' democratic codetermination there.

Shaping the developed socialist society in practice means making full use and extending further the diverse forms in which the working people take part in economic management. The plan discussion, production conferences, competition, the innovator movement, youth brigades, status reports, and activists' activity are but a few of the most important forms. Here we pay attention to two important factors. For one thing, absolute job security is a basic condition for everyone to be able to exercise his democratic rights without any fear of being fired. And mainly it is obvious that socialist democracy, the active participation in economic management and organization in the combine, in the enterprise, in the cooperative, amounts to a decisive impulse on which socialist society relies.

[15 Apr 82 p 9]

### [Text] How Can Advantages Be Properly Utilized? New Requirements of Management and Planning

The socialist ownership in the means of production, the political power of the workers class and the leadership role of the Marxist-Leninist party provide the objective possibility for utilizing with great efficiency society's capacities and potentials for the good of the people. Shaping the developed socialist society means putting this advantage of socialism into effect at a qualitatively new level, with much higher benefits.

The question, of course, arises how, by what methods and forms, and in accordance with what principles such conscious and planned management must and can be shaped. It turns out, no eternally valid answer can be given to all these questions. The great dynamics of socialist society also necessitates a dynamic development, i.e. continual changes, in the management and planning methods. One need not be an expert to realize that economic intensification cannot be accomplished by the means used for a predominantly extensively expanded reproduction. It is, of course, of profound consequence that now the scientific-technical revolution has become the main source for increasing the economy's efficiency and effectiveness, or that international conditions have changed significantly.

#### Important Basic Principle for Our Development

Bourgeois ideologists seek to discredit the socialist planned economy by contending the constant efforts in perfecting and changing planning express its fault and instability. One can hardly think of a more stupid and nonsensical argument. The fact is that the stability of the socialist planned economy depends on whether in each phase in the development of socialism planning forms and methods are found that conform with concrete conditions and objectives. In the early 1970's, e.g., in the transition to the main task policy, many measures became necessary to further develop and perfect the planning system. That is all the more necessary at the start of the 1980's, to implement successfully the economic strategy issued by the 10th SED Congress.

Admitting that the management and planning of the economy and the society is a dynamic process in no way means it does not rely on a number of basic principles and universal inevitabilities. The most important basic principle is democratic centralism. Enforcing it consistently is the key, the basic condition for the full unfolding of the advantages and impulses of socialism. Democratic centralism means an optimum connection between an unrestrained central management of the economy and the society and a maximal unfolding of the initiative and personal responsibility of all working people and every collective.

Democratic centralism is of fundamental importance to the existence and successful development of socialist society. That explains its being an element of the socialist social system and why it is exposed to especially sharp attacks from various imperialist and revisionist forces; all so-called socialism models pitted against real socialism mainly aim at doing away with central party and state management.

## The People's Interests as Focal Point

What determines the Marxist-Leninist position in this regard? It is well known that Marx and Engels derived the inevitable need for socialism primarily from the basic contradiction in capitalism. The social character of production increasingly contradicts the private ownership in the means of production and the sole interest, that goes with it, in producing for the sake of profits. The scientific-technical revolution of our time has radicalized that contradiction. It is becoming ever more obvious that nuclear energy, microelectronics, robot technology and so forth, in the hands of monopoly capital, especially of the military-industrial complex, have become a source of profound social contradictions leading mankind to the brink of an atomic inferno. The political power of the workers class and the public ownership in the means of production, the historic alternative, make possible on the other hand replacing the profit interests by the interests and needs of the people.

To the Marxist -Leninists, the central management of the economy and of society is not primarily a question of management methods but comes down to the question whose interests are served by economic and societal development and what aims it pursues. Central management by the party and the socialist state alone can make sure that the main task policy becomes the centerpiece of all efforts and is carried on even under more complicated conditions.

The public ownership in the means of production can fully develop its advantages only if the economy and social development are placed under social management. By social management the Marxist-Leninists have always meant two processes, or sides, in unity--central management, management by a center that can express and enforce the interests of all society, and an active, creative participation by all members of society, by all collectives, in management and its practical realization. Democratic centralism thus is an essential element of socialist society. And so planning at the overall societal range is one of the advantages socialism has in making the scientific-technical revolution prevail.

Reformist ideologists, in contrast, propagate all sorts of "models" of a "socialist market economy," a complete independence of enterprises and combines or some so-called self-administration, not within the scope of central management but in opposition to it, i.e., as a step toward doing away with it.

As practice has shown there has not been a single example in history of an economy that would function along such principles. Principally, such a system cannot function socialistically because the social interests are replaced by certain group interests that are granted priorities, while the needs of enterprises and economic units are what counts.

But that means such enterprises must behave like capitalist corporations. Pushed resolutely, such system inevitably goes back to capitalism. It is not enough, of course, to recognize the need for democratic centralism. Equally important is to find the most efficient ways and means of its practical realization in every phase of socialist development. Decisive steps in that direction also were taken in the GDR, under SED leadership, through preparing the economic strategy for the 1980's. The crucial connecting link there has been the forming and developing of the combines.

### Further Heightening the Combines' Own Responsibility

On the one hand, they significantly strengthen the GDR's central economic management. In 157 combines, centrally managed industry, construction and transportation are now concentrated. Account was taken here of the progressive socialization process: the ever closer entwining between science, technology, production and sales and the linkage between final production and ancillary enterprises.

We also greatly heightened the combines' own responsibility, their rights and duties. Through forming the combines, there also mainly greatly expanded the conditions and opportunities for the activities of the trade unions, competition, the activists' and innovator movement, and the youth brigades.

The shaping of the developed socialist society under the conditions of the 1980's, especially those of the scientific-technical revolution, can be successful only through the extension, perfection and further development, and never through a decline, of democratic centralism.

[29 Apr 82 p 9]

### [Text] Thinking and Acting in a New Way--On the Increasing Intellectual and Cultural Demands

How can we further greatly speed up economic intensification? In answer to that question, the correct view was expressed in a discussion that the decisive connecting link lies in changing the mode of thinking. The objection was raised, of course, that extensive economic intensification today was no longer feasible without appropriate material-technical potentials, without a large science and education potential. There is no arguing against that fact. Yet it is also certain that an effective use of the great material and intellectual potentials the GDR has available today largely depends on the mode of thinking and the practical attitude resulting from it on the part of each working person. The question then arises what abilities and which modes of thinking and conduct are required to implement the economic and social strategy of the 10th party congress.

### Motives for a High Performance Boost

As practical experience shows, the intellectual-cultural demands for implementing the economic and social policy for the 1980's are growing very fast. They are a basic condition for putting the advantages and impulses of socialism fully into effect. In the Central Committee status report to the 10th SED Congress, Erich Honecker made a special point of this unity between politics, economics and ideology, when he said:

"Through an indispensable unity between politics, economics and ideology, our political mass activity mainly is aimed at providing our working people with the laws of socialism and the substance of our economic strategy to motivate and mobilize them for high economic performance improvements. We shall meet these demands once all working people understand scientific-technical progress and its rapid conversion into high economic, and hence social, results as a matter of life and death."

There are a number of prominent ideological questions concerned with bringing about the mode of thinking necessary with its attitude and social activities.

#### Our Advantages Must Be Fully Used

Accurately knowing and understanding the laws of socialism and the economic strategy for the current decade naturally provide our point of departure and goal. But one must also be clear about the conditions under which the unity of economic and social policy has to be enforced now and in the years ahead. Important also is that this takes place and has to take place under variously new conditions-- such as complicate socialist development and such as give rise to new potentials and opportunities. We have gone into that in detail above.

The 10th party congress resolutions and our economic development reflect that the SED has not merely acknowledged the negative changes. Rather, it has fully concentrated on tapping and putting fully into effect the advantages and impulses, the potentials and opportunities of our socialist society.

Yet this is not a matter to be confined to a party congress or a strategy issued. It can all be realized only to the extent that this attitude controls all working people's practical activities. Knowing and being convinced of the advantages and impulses, the values and potentials of socialist society in the GDR is a decisive prerequisite for finding ways and means, through energy, creativeness, reason and prescience, to make maximum use of these advantages and impulses of socialism in order also to solve the complicated tasks.

#### Policy on Behalf of All Working People

We pay attention here especially to two important aspects. For one thing, this effort on behalf of this kind of thinking and conduct is inseparable from the bitter ideological struggle going on today between socialism and imperialism. The ruling imperialist circles wholly concentrate on spreading doubt about the capacity and abilities of real socialism. What else is there they could do? Our ideological work is aimed at developing the awareness of the strength and ability socialism has in solving the social problems of our time in the interest of the working people. This awareness is inseparable from the practical experiences providing evidence for it day after day. The analysis and all-round dissemination of these positive experiences thus is one of the most important tasks in our ideological work.

A crucial role for the mode of thinking and acting comes from the dialectical character of scientific-technical and economic development. The effectiveness of a combine or enterprise today greatly depends on whether and to what extent it can replace old products by new ones on a high scientific-technical level and low in costs.

#### Thrusting Into New Territory, and Against Old Habits

This replacement rate has become an important parameter. The time for which a new product remains in fact new is shrinking. Also consider that reducing the specific consumption of energy, raw materials and material is no one-time requirement to be dealt with only for a few years. Completely converting to intensively

expanded reproduction means that it becomes a permanent source of growth. That calls for a new mode of thinking and conduct, of course. The readiness and ability to struggle for innovations constantly and without reservation is a basic requirement for implementing in practice the economic strategy of the 10th SED Congress. That requirement finds itself opposed today by conceptions and attitudes that consider such changes interference with the habitual or merely as one-time or temporary tasks. Refusing to tolerate obsolete production methods is an essential requirement for our mode of thinking and action.

It is quite in line with the dialectical character of this process that it is in many respects difficult and contradictory. Thrusting into new territory is typical of it. What is normal now is constantly to think what has not been thought before, produce what has not yet been produced, and develop technologies and production methods that have not as yet been developed. As practical experiences in various economic fields have demonstrated, not only a readiness to proceed toward new ways is needed for it, but also the determination and ability to shed old habits and contradictions.

#### Growing Importance of Workers' Traditions

Scientific-technical progress today and an effective economic use of it hence not only call for great technical knowledge but also for an appropriate mental and practical attitude. By that alone can we accomplish the required economic performance boost.

To that end, greater attention ought to be paid to certain historic traditions. There are criteria that have played a great role in German history, such as the respect for science and its maximum economic utilization, quality-labor, a high respect for and the great technical skills of one's superior, his role in the production organization, disciplined and painstaking work, and minutely abiding by obligations assumed. For many decades, these traditions were used for the benefit of the capitalist power and profit drive. By means of them, German imperialism was in the position to gain international influence. How much more significant are the traditions of the workers class and other working people in the GDR today, as they, for the first time in history, serve the well-being of our people.

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HUNGARY

NYERS ON CURRENT ECONOMIC ISSUES

Budapest ESTI HIRLAP in Hungarian 30 Apr 82 p 3

[Interview with Rezso Nyers, chief scientific advisor of the Institute of Economic Sciences of the MTA (Hungarian Academy of Sciences), by Eva Nyaradi: "We Continue To Encourage the Development of Cooperation"]

[Text] How are our relationships with the socialist countries developing? Have we gotten too far into debt? Does an economically unified USA exist, and what is the opinion of the financial and economic experts overseas about our country? We talked about these topics with Rezso Nyers, chief scientific advisor of the MTA's Institute of Economic Sciences.

[Question] Most countries are in debt. Tensions have developed recently in the financial relationships, and there have been efforts to subordinate economic cooperation to the military political and power viewpoints. Do the socialist countries have to conform to this?

[Answer] I consider the present international financial situation to be temporary, in which the method of resolving the accumulated tensions has not yet been discovered. We simply have nothing to conform to yet. We would be glad to join the continued development of the East-West economic relationships, but it has stalled. And we must not, and hopefully we will not have to submit to having credit used against us as a weapon.

The total amount owed by the socialist countries is truly high. But this in itself would not yet cause a problem. The problem is that in some countries the loans are not being used to develop exports, and thus the process of balancing the foreign trade equilibrium is progressing only slowly.

Two Kinds of Solutions

We can talk about two independent groups of problems: judging the creditworthiness of the special situation of Poland, and of the other socialist countries. And pictures of two kinds of solutions are being sketched by the statements of the western experts. According to one line of thought the lenders handle the socialist countries the same way and they would initiate

the repayment of loans by methods of coordinated financial restrictions. This method is not uniformly accepted by the West's viewpoints, either, because it has a heavy price tag: that of retreat from the Eastern European markets.

The other possibility is the economic approach. To seek out how can solutions be found which are acceptable to the lenders as well as to the borrowers. And there is only one such solution. To solidify the economic balance by increasing trade, to create the opportunity through exports and continued rational extending of credit to repay the earlier loans on time. We are in favor of this latter viewpoint. It is my opinion that the recognition is gaining strength also in the West, that the economic difficulties of a specific country must not be generalized. Thus, at the present time, a bad variant is opposing a good one. We cannot be certain that the situation will shift towards the more favorable direction, but we also have no reason not to trust in it.

[Question] So is a differentiation possible?

[Answer] The signs indicate that it is. For example the Hungarian economic policy is considered modest and business-wise reliable in broad circles; the kind which fully satisfies the requirements of the international financial organizations and banks. It is true that our present economic results are still short range results. But the important thing is: we are avoiding forced and excessive production increases with the use of credit through underestimating the risks of foreign markets, or using credit without the proper foundations. Our economy is ready to cooperate with the CEMA countries as well as on the world market.

[Question] Have we not gotten too far into debt?

[Answer] Between 1974 and 1978, yes. It was very easy then to obtain favorable loans and almost nothing forced the economic operating organs to produce efficiently, to have a reasonable investment policy, or to make structural changes. But it is also a fact that this process has ended since 1979.

#### The CEMA Is a Good Market

[Question] Our country is closely aligned with the economic growth of the socialist countries. What can we expect in the coming years?

[Answer] Our advantages are decreasing as a consequence of the price ratio changes. But even today the CEMA is a good market for our products, and we have every chance to preserve our position. And what is also important, is that the world market's price changes are taking effect only gradually within the CEMA, thus the burdens deriving from this do not fall on us all at once. The energy cooperation is a safe support in development. But it is unfavorable that the domestic economic difficulties of the socialist countries can also be felt in CEMA. For example, raw material cooperation has decreased somewhat. Thus we are also forced to obtain an increasing portion of our needs on the world market.

[Photo caption: Diesel trains are being built in the Ganz-MAVAG (Hungarian State Iron, Steel and Machine Factories) for export to the Soviet Union.]

The lack of convertible foreign currency is general in our countries, and this is why the efforts for ruble export and dollar-accounted export are typical. This is an economic force which political desires can not change. But in practice we can improve on the situation with certain rationalizations. Endeepening the scientific and political shopwork would be very necessary to clarify over the longer range the questions of cooperation.

#### Decisionmaking Opportunities

[Question] It has been asked often recently on the various forums, what governs our economic direction: the long range concepts, or solutions applied in an idea-like manner?

[Answer] Our present five-year plan is an open one: we left the decision-making opportunities open for the second half of the plan's time period. My opinion is that to expect long range development concepts from the Hungarian economic policy at the present time would be an exaggeration. It follows from our situation that these years we are conducting a policy of conforming over the short range. In order to define the longer range goals we will have to reevaluate many things: the expected changes in the foreign conditions, our domestic resources, society's needs, the space available for actions by the state, and the activity society initiates. As far as the present situation is concerned, the concept has two directions: on the one hand regulating production and investments in the interest of the foreign economic [trade] balance, and on the other hand coordinating the purchasing power with the merchandise supply in order to protect the standard of living.

[Question] Will inflation increase?

[Answer] I know that it is not a pleasant thing to hear this. The experts also consider the tendency of money's deterioration unpleasant. Yet they feel that it is unavoidable, and indeed in the coming years also we will have to expect it. The experience shows that an administrative price freeze would only make this situation worse. For the time being the economic policy can only slow down, but not stop, inflation. Compared to international standards, this is not high in our country.

[Question] There is always a big argument around the small enterprises. Why are there so many negative opinions?

[Answer] These measures are based on thoroughly considered government policies and serve the interests of the general public. Why should one assume that the government of a socialist country takes measures contrary to its own political views? For example, few people objected to the "second economy" which developed in recent times. Even though the damages caused by this "opportunity", were much more dangerous and harmful to the economic life. Of course, I know that for a while the small enterprises will cause problems, and that they will also have undesirable side effects. But over-all they are useful, the society needs them, and therefore they must be encouraged rather than restricted.

[Question] You visited the United States recently, where you participated in various scientific conferences. What did you experience at the conferences?

[Answer] I met many representatives of the American scientific, economic and financial life. Two of the topics of the conferences are very interesting for us. The first one dealt with the situation of the Hungarian economy, the second one with the development of the East-West relationships.

I saw increased interest in the Hungarian economy. I consider this important because it means that there exists a circle in the United States the members of which are more closely familiar with Europe, and within this they are also following Hungary with attention and are interested in it. Two things meet favorable reception: our agricultural results, and our willingness to participate in industrial cooperation.

#### Several Directions

Concerning the East-West relationships I experienced that some businessmen continue to encourage the development of economic cooperation, and over the long range they consider it good business to conduct trade with the socialist countries. Of course, it must not be lost from sight either that the banking experts have two souls [sic]. On the one hand they are afraid that their loans will not be paid back, while on the other hand they know: money produces profits only if it is invested, and in the final analysis the socialist countries are good partners.

It appears that there are several directions even in the American government in the judging of this question. One thing is certain: it would be a very big mistake for us to labor under a picture of a "united America" in economic questions, and to adjust our ideas and plans to this.

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HUNGARY

MANPOWER REALLOCATION POLICY SCORED

Budapest FIGYELO in Hungarian 14 Apr 82 p 2

[Article by Judit Adler: "Manpower Reallocation According to Plan and Unorganized"; passages enclosed in slantlines printed in italics]

[Text] In the past 5-year plan period manpower fluctuation slacked from year to year (in 1980 it affected 13 percent of the employed persons). It was more characteristic in the productive branches and all the separation turnover was quickened by work terminations initiated by employees.

However, a related analysis of the KSH [Kozponti Statisztikai Hivatal-- Central Statistical Bureau] ("Manpower Turnover in the Socialist Sector of the National Economy 1976-1980") states that /larger and larger portion/ of the manpower movement /is connected to initiative by the employers/. That is, usually the employer decides on the transfer, but from time to time the initiator can be the employee or the prospective employer. According to KSH data, in 1979: 47,000, in 1980: 50,000 transfers took place. In both years about one-third of the transfers took place in the nonproductive branches. Last year KSH also published data on the organized reallocation among firms; /12,300 such cases/ where transfers occurred collectively with the agreement of the firms or institutions concerned, respectively with the prior notification of the parties involved. Thus, the organized reallocation among firms /did not become/ a common instrument of manpower management, and because for years this has been a common observation, it is worthwhile to undertake some pragmatic action in this matter.

I Go, So They Won't Send Me

Invariably, firms complain of significant manpower shortage in spite of the reduced tempo of economic growth and decreased orders in many places. It becomes more obvious, that in the past period the tempo of productivity increased /not because/ the firms effected a conscious reduction in the work force due to decreasing orders, but rather because a portion of the employees /on their own accord/ left some areas, alleged as "critical." That is, directly or indirectly, they personally perceived the local troubles of the firms and the incidental reduction in earnings. At the same time they noticed that a trend started in some, previously neglected areas of the economy (in background industry, in small-scale production, in services, etc) which held out the possibility of employment and, chiefly, better opportunities for earnings.

Their decision should not be disapproved. As the result of this process--or rather, exploiting the possibility of choosing among places of work better suited for individual ideas, for personal goals--in the long run /the employees themselves initiate/ the kind of manpower reallocation which, of course, lacks the methodicalness, the considered organization, but eventually it serves the aims of employment policy guided by economic conditions. Therefore, we can say that the manpower movement's direction /took shape according to plan/, but its degree somewhat deviated from it.

In industry the average permanent labor force decreased somewhat faster than planned, by more than 2 percent in 1981; but because the tempo of the production increase also fell behind the plan, this larger rate of reduction in the labor force, or rather, migration, is definitely favorable from the standpoint of productivity it has beneficial results.

In the construction industry, both the quantity of production and the labor force decreased at about the same rate, so the productivity barely increased; for this reason, even a larger reduction in the labor force would not have been a drawback, especially when we consider also that in the construction industry the planned work structure modification (increased emphasis on labor-intensive maintenance and renovation tasks) was not realized either.

The number of persons employed in agriculture--contrary to the planned small reduction--/increased somewhat/, primarily because of the growth in sideline and supplementary activity. This can be classified as favorable too, if for nothing else, because in this way agriculture /offered work opportunities/--and working places which were by no means any less efficient--for those who left big industry.

After all, the purpose of the plan is suitable manpower movement--and this is worth repeating--not the deliberate management of staff by companies. From the standpoint of manpower management, economically and socially rational behavior /is much more characteristic of the individual/, than of the firm which is his employer. From this originate those conflicts, whereas given the coincidence of national economic interests and of private interests, a portion of the skilled workers leave for the small business and supplementary industries, through the rationalism lurking behind all these is no consolation for the traditional, large labor organizations. From the latter's point of view the manpower "is reduced" by a passive method which causes tension in the organization of big business.

#### Then Abroad

The companies--and unfortunately not the majority of them--adjusting to the changed economic conditions, and hoping for more profitable management, decided on some modernization of the product structure. A concern incidental to the change: /is the existing work force suitable/ for the manufacture of new products? Does the product restructuring /require/, and if so, to what extent, the exchange of employees?

According to a recent study, touching on this subject matter also, the firms /regard as fundamental/ the structural characteristics (skills, education,

age, etc.) of the existing work force, to which they must adjust the current productive activity. At the modification of the product structure they shift to the type of new products that can be manufactured with the existing work force, or require only a short retraining or supplemental training. In connection with the product restructuring the idea of manpower reallocation among firms practically does not even arise. The common way of adjusting to the new situation--judged acceptable by employer and employee alike--is the organized retraining and supplemental training within the firm/.

Furthermore: in the 5-year plan period several national economic and enterprise investments were started where nobody reckoned with the manpower coverage. With the entrance of these investments, frequently the firms can secure the necessary manpower only by /internal reallocation/, by closing the uneconomical units and employing the thus freed personnel in the new and generally more productive workplaces, which are suitable for more effective employment conditions. And because they cannot count on outside sources of labor, the investments, developments and reconstructions generally "absorb" the freeable manpower within the firm.

Of course, there are firms, where neither investment activity, nor modernization of the product structure, nor anything else would justify the stabilization of the existing work force. Where a portion of the manpower really becomes redundant, in cases like this, and depending on the possibilities, the employees try to eliminate the tensions /with employment abroad/. And because this solution generally creates favorable financial conditions for the individual and for the firm also, more and more examples prove that even those firms, which are troubled by real and justified manpower shortages, are looking for possibilities of working abroad. This is an increasingly popular form of employment, and for that very reason, it thwarts the domestic, organized efforts concerning manpower reallocation among firms.

They Don't Understand...

Finally, one more factor: the thought of organized reallocation, or the efforts at implementation are generally /extremely unpopular/ among the employees. Namely, this sort of reallocation does not come with any financial advantage, contrary to the change in the place of work that was decided based upon individual motives and personally arranged. What is more: /many don't understand/ the reasons for organized reallocation. Their aversion is motivated by the fact that in our sociopolitical value system first place was always given to loyalty to one's place of work, to the employee's settled stability. One, who has always heard that for our society those, who work their whole lifetime in one place, are valuable, now only with difficulty can accept the norm approving mobility, requiring periodic migration, and all those inconveniences that--even with the most careful preparation--can only be dulled, but for the individual are eventually unavoidable. Finally; the manpower reallocation among firms in many cases means /regional regrouping also/. The infrastructural background of this (apartment, spouse's employment children's accommodation and schooling) is often missing, although the separate living of family members augments the already well-known concerns.

Summarizing the above said: The efforts on the part of the firms that are aimed at keeping the manpower should be regarded as natural, even though momentarily they disagree with the interest of the national economy. In such circumstances it is even /legitimate/ that the direction of the manpower movement, and even more so its size, /is influenced by the personal initiative/ of the employee. Regarding the employee's aversion toward reallocation: in practice it seems a more feasible way to move, when possible, not the worker but the work.

9918

CSO: 2500/229

HUNGARY

BRIEFS

MINISTER APPLAUDS, ENCOURAGES AGRICULTURE--In ceremonies celebrating the first of May, Jeno Vancsa, minister of agriculture, gave a speech at the town of Torokszentmiklos. Among other things, he said that agriculture continues to have the dual obligation of ensuring balanced, high-quality supply for domestic demand and satisfying growing export requirements. It is exceptionally important for agriculture to contribute still more to production of the national income. Currently, every fourth hectare in Hungary produces for export. It is outstanding even by international comparison that per capita grain production exceeds 1.3 tons while that of meat is over 150 kilograms. Hungary ranks fourth highest in Europe in per capita food consumption calculated in terms of starch and protein. As a result of its achievements, the Hungarian peasantry enjoys unprecedented social appreciation. The interdependence of workers and peasantry is well illustrated by the fact that this year Hungarian industry will provide agriculture with machinery, chemicals and other products worth 40 billion forints. A thousand threads bind the two sectors. Therefore the only solution is to improve cooperation, quality and meet the new requirements. These requirements are greater than ever before, and the circumstances are such that more must be produced from less in the way of resources. Agriculture has a reputation to protect and a social program through which to realize its goals. [Excerpts] [Budapest MAGYAR MEZOGAZDASAG in Hungarian No 19, 12 May 82 p 2]

ZEOLITE USE IN AGRICULTURE URGED--Hungary has proven deposits of 100 million tons of zeolite. When 5-8 percent zeolite is mixed into liquid manure it becomes an excellent soil ameliorator, especially for sandy soil. When 20 tons per hectare are worked into the soil, average yields of grass-type plants increase by 1.5 percent. Since natural zeolite costs 3-4 forints per kilogram, improving land costs barely 20,000 forints whereas improvement using peat cost 25,000 forints per hectare. Hungary ranks first in the world in using natural zeolite in feeding livestock on a large scale. Over the past 3 years 150 farms have fed their livestock with a mineral mixture containing zeolite. Zeolite disinfects and deodorizes straw bedding, stabilizes digestion, prevents cannibalism among closely confined hogs. It reduces the cost of producing 1 kilogram of poultry by 1 forint that of a kilogram of pork by 1.3 forints. At present Hungary uses a total of 6,000-7,000 tons of zeolite annually in agriculture. This is far below the potential. To promote the extraction and utilization of zeolite, the National Technical Development Committee has consulted the pertinent ministries and authorites in attempt to obtain overall figures on agricultural and industrial requirements. The committee is prepared to help finance the costs involved in promotion but at present it has too little data to work with. [Excerpts] [Budapest NEPSZAVA in Hungarian 21 May 82 p 4]

LONG-RANGE ENERGY POLICY ASSESSED

Warsaw ZYCIE GOSPODARCZE in Polish No 14, 25 Apr 82 p 5

[Article by Janusz Ostaszewski: "Energy Policy--Conception of Development to the Year 2000"]

[Text] The conception of the development of the fuels-energy economy and the directions of Poland's energy policy to the year 2000 were the subject of several studies prepared in recent years by government and scientific-research teams. Taking the results of these studies and the theses presented in the reports into account, as well as the viewpoints and opinions expressed in the discussion at the plenary meeting of the State Council for Fuels-Energy Management on 1 February 1982 (we reported on this in ZYCIE GOSPODARCZE No 4/1982, "First Attempt at Forecasting"), the Council took the following position on the preliminary assumptions of Poland's energy policy to the year 2000.

Estimate of Requirements

An increase in the national income which would ensure implementation of such basic socioeconomic goals as: housing construction, food supplies sufficient to take care of the nation's needs, consumer goods, and increased exports, will be linked, within the time-frame of the year 2000, to a demand for primary energy on the order of 260-280 tpu [tons of standard fuel]. This estimate is based on the assumption that average annual increases in generated national income will not approach the 2 percent level until about 1985, and will then gradually increase during the subsequent years to 3 to 4 percent.

The following structure of domestic demand for primary energy is assumed to be most probable--in percentage, in the years 1980 (execution), 1985, 1990 and 2000, respectively: hard and brown coal: 78, 77, 75, 67; crude oil: 14, 14, 14, 14; natural gas, 7, 7, 8, 8; nuclear energy: 0, 1, 2, 9; other sources: 1, 1, 1, 2. The 1 percent share of nuclear energy in 1985 derives from its anticipated imports from the Khmel'nitskiy power plant in the USSR.

Poland's energy policy for the future should be based on the following directional assumptions:

--comprehensive technical improvements in the consumption of fuels and energy;

- dynamic development of the nuclear power industry;
- assurance of deliveries of hydrocarbon fuels in at least half the amount of their present percentage share in the structure of primary energy consumption;
- development of hard and brown coal mining to an amount that will close out the domestic balance of primary energy with a surplus of hard coal for export purposes;
- assurance of the development of the electric power industry at a rate which will surpass the increases in domestic demand for primary energy;
- maximum possible development of heating plant systems.

The obtainment of average annual increases in generated national income at the assumed level of 3-4 percent without the comprehensive improvement in the country's energy management, would require the consumption of 300-320 million tpu of primary energy in the year 2000. A reduction in primary energy requirements to the 260-280 tpu assumed level can take place if intensive and comprehensive technical improvements are undertaken without delay. In order to do this, the following measures are indispensable: constant elimination of waste of energy; thorough modernization of equipment and its use processes; and structural changes in the national economy which would bring about a reduction in its energy-intensiveness.

#### In the Direction of Savings

The elimination of manifest waste of energy requires that the following be done:

- that the principles of economical use of energy sources in all fields of their direct consumption, conversion and transmissions be applied and consistently enforced;
- that radical improvements be made in the repair and overhaul management of power-engineering equipment and systems;
- that equipment and installations using energy be equipped with indispensable measuring instruments which would make it possible to reliably calculate the consumption of energy sources and to prepare energy balances of plants and technological processes;
- that operation of obsolete and the most energy-intensive technological equipment and systems be permanently discontinued;
- that economo-financial instruments be applied which would stimulate economical consumption of energy and fuels, such as: standards of consumption, prices, tariffs, taxes, credits, as well as organizational-technical activities of a training, teaching and propaganda nature.

Thorough modernization of existing equipment and processes in which energy is consumed requires the commitment of appropriate financial, technical, material, and execution resources. The following basic directions of this modernization are proposed:

- increase in energy consumption efficiency in industrial processes by replacing elements or reconstructing entire power installations, recovery of residual energy, and improvements in thermal management;
- improvement in the thermal insulation of buildings;
- application of automatic controls in heating systems;
- improvement in the efficiency of individual heating equipment (household furnaces and stoves);
- replacement and modernization of industrial and municipal boilers;
- expansion of the range of applications of power-electronic equipment, and application of thyristors in electrical power feed;
- reconstruction and expansion of industrial and distribution electric power systems, and reduction in network losses;
- reduction in energy-intensiveness of transportation.

Ultimate annual savings which would be possible as a result of this over a 10-year period are estimated at approximately 25-30 million tpu. But this requires that indispensable technical means must be produced, such as insulation materials, boilers, automation systems, heat exchangers, etc.

Structural transformations in the national economy which would result in a reduction of its overall energy-intensiveness should include:

- changes in the structure of industry, consisting of increasing the share of processing subsectors and branches producing final products of a relatively low energy-intensiveness and high transactional value;
- changes in the structure of technological processes in favor to modern and energy-saving technologies (e.g., dry method of cement production, oxygen-converter smelting of steel);
- improvements in the type-structure of transportation and means of transportation, as well as the structure of working machines in agriculture and construction;
- a change in construction technologies;
- a change in the structure of foreign trade in the direction of restricting exports and giving priority to importation of energy-intensive products;
- development of modern, energy-saving equipment and appliances for general use.

Improvement in the efficiency of the consumption of fuels and energy in our country should be the main direction of our energy policy [in boldface]. The case for this is the fact that outlays for efficiency-improvement, in comparison with outlays for new sources of energy of equivalent energy results, are approximately two-fold lower, and the time-limits for obtaining the results are much shorter.

## Nuclear Power Industry

By 1990 the nuclear power industry's share in covering the country's energy needs will not exceed 2 percent. The startup during 1989-1990 of two 440 MW power units in the Zarnowiec power plant is being planned, as well as the import from the USSR of 1,000 MW guaranteed net output from the Khmel'nitskiy power plant successively during 1984-1988.

Beginning in 1990, a dynamic development of the nuclear power industry should take place in the country, taking into account the dependence on nuclear fuel of heating plant systems in large urban centers. It is proposed as a minimal program to assume that during 1990-2000 each year nuclear power units with a capacity of at least 1,000 MW will be completed, so that by the year 2000 nuclear energy should make up the equivalent of approximately 25 million tpu of primary energy.

In order to implement such a program, it is essential that a domestic industrial base be properly prepared and that broad cooperation and coproduction be established with the USSR and CSSR in the area of power plants as well as nuclear heating plants.

Under Polish conditions, nuclear heating plants with diphenol-cooled reactors may be desirable, i.e., not requiring the use of austenitic steel and possible to produce by domestic resources. It is also advisable to intensify geological explorations for uranium and research on obtaining it as a byproduct in the process of producing phosphoric acid.

## Crude Oil and Gas

In view of the basic importance of hydrocarbon fuels in the development of the national economy, the assumed increases in the consumption of crude oil and natural gas should be regarded as minimal. The percentage share of crude oil in the consumption of primary energy at the present level, i.e., within the range of 14 percent, will require the following deliveries (combined with finished products obtained from abroad): 17 million tons in 1980 (execution), 20 in 1985, 23-25 in 1990, and 33-35 million tons in 2000.

Domestic requirements for natural gas, in terms of gas with a calorific value of 8,000 kcal/m<sup>3</sup>, assuming its share in the structure of primary consumption is 7-8 percent, will amount: in 1980, to 10.5 billion cubic meters; in 1985, 12; in 1990, 14; and in 2000, 18 billion cubic meters.

It has become extremely difficult to obtain hydrocarbon fuels. The domestic output of crude oil and natural gas is clearly declining, and it is essential, in order to halt this decline, to increase geological-exploration research significantly. The assurance that there will be suitable imports of crude oil and natural gas is also indispensable. Action in this regard should be undertaken without delay, particularly in relation to gas, the scarcity of which already threatens a large drop in the production of fertilizers. The only real solution to this problem is Poland's participation in the construction of the gas pipeline from Siberia to Western Europe.

## Hard and Brown Coal

The total share of hard and brown coal in the balance of primary energy will be the quantity that closes out the country's energy needs. The demand for hard coal, therefore, will be dependent on the development of the output of brown coal and nuclear energy. The following quantities of brown coal winning may be regarded as being realizable: 60 million tons in 1985; 100 million tons in 1990; and 120 million tons in 2000 (38 million tons in 1980).

The increase in brown coal output to the 80-million-ton level will be ensured by the strip mine in Belchatow and Lubstow, and the increase to the 100-million-ton level by the Szczercow strip mine.

During 1990-2000, development of further deposits on a scale confirmed by comprehensive cost-effectiveness analysis (Cybinka, Lubin, Mosty) is indispensable. Despite a large increase in the cost of winning brown coal, in view of the increasingly deeper deposits and degradation of the environment, further development is essential in order to close out the country's fuels-energy balance. The increase in brown coal output, except for the small exports to the GDR, should be allocated for the needs of the electric power industry and the centralized heating systems, where this fuel can be utilized most effectively.

At this assumed level of development of brown coal output, the domestic demand for hard coal (excluding exports) will be: 167 million tons in 1985; 170 in 1990; and 205-220 million tons in 2000 (160 million tons in 1980).

The level of brown coal output should be adapted to the domestic demand and the indispensable export.

## Production of Electrical Energy

Initially the following average, anticipated quantities and structure of gross production of electrical energy, in TWh, are envisaged during 1980 (execution), 1985, 1990 and 2000, respectively: total domestic production: 122, 138, 172, 260; from hydropower and nuclear power plants (combined with imports from the USSR of approximately 2 TWh in 1985 and 6 TWh during 1990-2000): 3, 5, 12, 80; from power plants operating on brown coal: 23, 33, 60, 70; from power plants operating on hard coal: 96, 100, 100, 110.

Until 1985, the increase in the production of electrical energy should be obtained mainly on the basis of brown coal (the Belchatow power plant), and during 1985-1990, in the same degree, on the basis of brown coal and nuclear fuel. After 1990, assuming maximum development of the nuclear power industry, the remaining increase in production of electrical energy may occur on the basis on brown and hard coal.

Increases in attainable output of public utility power plants are estimated as follows: 1981-1985, 4,500 MW; 1986-1990, 6,500 MW; 1991-2000, 18,000 MW. Increases in installed capacity must, therefore, be commensurately higher.

## Development of the Heating-Plant System

The program for the development of the centralized heating-plant system will ensue primarily from the size of housing construction, which thus far has not been precisely defined. Preliminary forecasts say that the following program for the development of the heating-plant system for the years 1980 (execution), 1985 and 1990, respectively, should be regarded as minimal: domestic production of heat, in total, in thousands Tcal: 205, 240, 300; public utility power industry: 52, 70, 95; electric power and heat-generating plants and industrial heating plants: 136, 150 and 175; municipal heating plants: 17, 20, 30.

During 1981-1985, increases in attainable capacity in heating plants should amount to 13,500 Gcal/h, and during 1986-1990, 19,500 Gcal/h. The public utility power industry should supply, during these periods, 7,500 and 10,000 Gcal/h; industrial electric power and heat generating plants, 1,500 and 3,500; and industrial and municipal heating plants, 4,500 and 6,000 Gcal/h.

Preference should definitely be given to the development of combined production of electric power and heat. As a result of the feasibility of using large, highly efficient boiler units and utilizing the heat of condensation of exhaust gases from the turbines, consumption of fuel in the distribution systems [as published].

The providing of power to the scattered building industry is a separate problem, which should be the subject of a special study.

## The Small-Scale and Unconventional Power Industry

The potential possibilities of utilizing the so-called small-scale power industry and unconventional sources of energy require unequivocal definition and quantification. Under our conditions, these possibilities are restricted here to:

--solar energy collector systems for heating buildings--usable water;

--biogas production plants, based on methane fermentation of animal excrement and plant wastes;

--power utilization of small water-courses;

--management of fuel wood obtained in forestry.

The above-named sources of energy may, in many cases, be very important locally, however, their share in the domestic fuels-energy balances will not be significant to the year 2000.

/Conduct of a correct energy policy will require appropriate organizational improvements in the field of management and planning at the central level and proper coordination of the fuels-energy economy in connection with the system of controlling the entire national economy/ [in boldface].

The program presented shows the country's energy needs only to the year 2000. Further study and research is needed to determine the possibilities and methods of its implementation for the time frame of the years up to 2010-2020.

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The resolution of the State Council for Fuels-Energy Management concerning assumptions on Poland's energy policy to the year 2000 sees the energy problem in a manner other than that to which we have become accustomed.

First--it treats the power industry as one unit and proposes that its development be planned based on anticipated demand for primary energy, deriving from assumed growth of national income and the goals of social policy which must be attained.

Second--definite preference, ahead of the development of new capacity, which heretofore has been regarded as the only way of covering energy needs and which has contributed to the uncontrolled growth of the energy-intensiveness of our economy--is given in the program to improving efficiency in the consumption of fuels and energy. It is worth repeating here, in behalf of the resolution being discussed, that outlays for improvements in efficiency of consumption, as compared with outlays for construction of new sources of energy of equivalent results, are an average two-fold lower and bring results more quickly. This is the direction which must be, in our present circumstances and in view of the conditions for ensuring development possibilities in the future, positively taken into account when central plans for socioeconomic development are being constructed. I am emphasizing the role of the central plan for it seems to me that enterprises functioning under conditions of economic reform will be forced, sooner or later, to accept precisely this and not another direction in planning reconstruction and development. This will be for them one of the basic sources of cost reduction.

Third--the role of hard coal in the country's energy balance has been treated in a new way. It is no longer being regarded as the panacea for all energy needs, but as a source of primary energy that will close out the energy balance--supplement that which can be obtained from other sources. Such reasoning is of vital importance in protecting our deposits against wasteful exploitation. Nor will it compel the socially incompatible excessive intensification of work in mining, which has been used to compensate for the really catastrophic waste of coal. Such a direction will also provide hope for an increase in coal exports, which in our payments situation is of utmost importance.

The Council is not the only team of experts working on what is now the country's key problem, the energy policy, which has, we must add, been so very neglected in the past. As was reported recently, the first meeting of the Scientific-Technical Council for Power Industry Affairs, which was formed in the Ministry of Mining and Power Industry, also took place. It prepared a program for the development of the power industry during 1982-1990 and a directional program to the year 2000. We also want to present this work in our newspaper, at the same time inviting all of the experts on this subject to join in a discussion on these important problems.

9295  
CSO: 2600/547

POLAND

SPECIAL CURRENCY EXCHANGE RATES PUBLISHED

Warsaw TRYBUNA LUDU in Polish 17 May 82 p 7

[Text] Announcement of Exchange Rates Table No 20/82, effective 17 May 1982, by Stanislaw Majewski, president, Polish National Bank, on 17 May 1982.

I. Foreign-currency exchange rates in zlotys for countries of the first payments area [socialist countries] for commercial and noncommercial payments in Table No 6, 1982, dated 8 February 1982, remain unchanged.

In purchases of travelers' checks for rubles, issued by the USSR Foreign Trade Bank and payable outside the USSR in the currency of the country where cashed, an exchange rate of 11,646.60 zlotys per 100 rubles is applied.

II. Foreign-Currency Exchange Rates in Zlotys for Countries of the Second Payments Area [Capitalist Countries]

[Table on following page]

Exchange Rates Table No 20/82

Country	Curr Symb	Currency	Foreign exchange		Money		
			Purchase 3	Sales 5	Purchase 1	Sales 2	Average 6
Saudi Arabia	771	1 rial***	23.92	24.16	--	--	24.04
Australia	781	1 Aust dollar	87.68	88.56	86.36	89.88	88.12
Austria	786	100 schillings	509.60	514.72	501.92	522.40	512.16
Belgium	791	100 francs	190.60	192.52	187.73	195.39	191.56
Denmark	792	1 kroner	10.61	10.71	10.45	10.87	10.66
Finland	780	1 markka	18.40	18.58	18.12	18.86	18.49
France	703	1 franc	13.79	13.93	13.58	14.14	13.86
Greece	724	100 drachmas	132.54	133.88	114.88	135.87	133.21
Spain	785	100 pesetas	78.89	79.69	77.70	80.88	79.29
Holland	794	1 florin	32.34	32.66	31.85	33.15	32.50
India	543	100 rupees***	888.90	897.84	--	--	893.37
Ireland	782	1 pound***	124.50	125.76	--	--	125.13
Japan	784	100 yen	35.24	35.60	34.71	36.13	35.42
Yugoslavia	718	100 dinars	180.13	181.95	156.13	184.66	181.04
Canada	788	1 Canad dollar	67.09	67.77	66.08	68.78	67.43
Kuwait	770	1 dinar***	297.27	300.25	--	--	298.76
Lebanon	752	1 pound	16.60	16.76	16.35	17.01	16.68
Libya	651	1 dinar***	277.09	279.87	--	--	278.48
Luxembourg	790	100 francs	190.60	192.52	187.73	195.39	191.56
Norway	796	1 kroner	13.87	14.01	13.66	14.22	13.94
Portugal	779	100 escudos	117.71	118.89	102.02	120.67	118.30
FRG	795	1 mark	35.90	36.26	35.36	36.80	36.08
United States	787	1 dollar*	82.05	82.87	80.81	84.11	82.46
Switzerland	797	1 franc	43.32	43.76	42.67	44.41	43.54
Sweden	798	1 kroner	14.35	14.49	14.13	14.71	14.42
Turkey	627	100 pounds	55.11	55.67	47.77	56.50	55.39
Great Britain	789	1 pound***	150.51	152.03	148.24	154.30	151.27
Italy	799	100 lira	6.46	6.52	5.60	6.62	6.49

\*Valid also in clearing accounts with the following countries: Bangladesh, Brazil, Ecuador, Greece, Iceland, Kampuchea, Colombia, Lebanon, Pakistan, Peru and Turkey.

\*\*Valid also in clearing accounts with the following countries: Nepal and Pakistan.

\*\*\*The Polish National Bank does not purchase money in these currencies.

CSO: 2600/622

ROMANIA

DEPUTY MINISTER SURVEYS COAL PRODUCTION

Bucharest REVISTA ECONOMICA in Romanian No 16, 23 Apr 82 pp 8-9, 21

[Article by Romica Stanciu, deputy minister of mines]

[Text] The rapid growth of crude oil prices on the world market in the last decade has demanded an increase in the production of coal, particularly lignite, in the production of electric energy. Currently, more and more countries are readjusting their energy policy with a view to counteracting the unfavorable effects of the instability of the world oil market on their economies, adopting measures to extend the exploitation and use of coal in the balance of primary energy.

In Romania the problem of increasing coal production continually has been in the attention of the party and state. This explains the increase in electric energy production on the basis of coal from 18 percent in 1965 to around 33 percent this year and to more than 47 percent by 1985, thus arriving at a point where nearly half of the country's need for electric energy should be provided by the thermoelectric power centrals which use coal, particularly lignite.

The recent RCP CC Plenum Decision on Fulfillment of the Energy Production Program in the 1981-1985 Five-Year Plan and Development of Romania's Energy Base Up to 1990, worked out on the initiative of Comrade Nicolae Ceausescu, once again stresses the permanent concern which the party is giving to the sustained development of Romania's energy base. It results from the vital requirement of insuring energy independence and for est lishing paths for development of the country's energy base, proceeding precisely from the need to insure an increase in the degree of utilization and good management of all energy resources, including inferior coal.

In the Center of Attention--Preparation Jobs

In order to provide the conditions for plan fulfillment this year as well as for the entire five-year plan, the Ministry of Mines, the mining combines and enterprises have moved decisively to application of certain broad programs of measures

intended to bring elimination of the shortcomings still persisting in the activity being carried out through better organization of work, utilization of the technologies supplied with greater productivity and with positive effects on the efficiency of all activity. As a result of implementation of many of the measures planned, coal production in the first quarter of this year rose over last year, which has permitted increasing the daily deliveries to the thermoelectric power centrals from 65,000 tons per day in the fourth quarter of 1981 to 88,500 tons per day this March. A special contribution in this regard was made by the mining combines in Valea Jiului, Ploiesti, Motru and other enterprises which have delivered tens of thousands of tons over the plan to the country. However, despite this, overall production has not been at the level established due, in particular, to the lags at the Rovinari Mining Combine (with a deficit of more than 580,000 tons) caused by the failure to obtain the stripping volumes of recent years.

In order to recover the lags both from 1981 as well as this year's first quarter, it has been established that an additional 4 million tons of coal must be obtained in 1982. Of this quantity, 3.4 million will be obtained from mining in pits, with the Gorj basin having the greatest contribution (around 3 million tons). Next year, coal production, according to the program, will reach 60.2 million tons, of which 51 million will be lignite and brown coal, with lignite production continuing to rise above the five-year plan level by 1.7 million tons in 1984 and 1.5 million in 1985 (the rise in lignite and brown coal production--the main source for electric energy production--is given in the graph. This means that in the 1981-1985 period the extraction of lignite and brown coal will total around 256 million tons, that is, 2.3 times greater than in the preceding five-year plan. The coal-bearing basins will contribute as follows to fulfilling the lignite production forecast for 1985: 55 million tons from Gorj, nearly 6 million from Mehedinți, more than 7 million from Vilcea and Muntenia and more than 5 million from Transylvania.

With a view to emphatic development of lignite and brown coal production, however, it will be necessary to do large preparation and stripping jobs. Thus, keeping in mind that the planned volume was not achieved either in the previous five-year plan or in 1981, it has been established that a stripping quantity of around 103 million square meters is to be carried out this year so that jobs of this type reach 170 million square meters at the 1985 level. The greatest volume, around 149 million square meters in 1985, is to be obtained in the Gorj basin where, compared with the volume obtained in 1981 (40.7 million square meters), it will represent an increase of more than 3.6 times. At the Anina bituminous shale pit, which should enter into production in 1983, a large volume of stripping will be done in 1983 and in 1985 this will represent 6 million square meters, while the shale production will rise to 10 million tons.

Corresponding with the production forecast to be extracted underground, this year 9.4 km of mining jobs beyond the plan forecasts are to be built for openings and preparations, which is 58.1 km more than 1981, so that their total volume should reach 222.7 km. In order to insure that the planned and additional volume of jobs of preparation and stripping is obtained as well as coal production for 1982 and coming years, a complex of wide-ranging measures are being applied. The additional labor force will increase from around 2,300 workers this March to more than 11,000 this June. Approximately 85 percent of this

labor force will participate in fulfilling the production tasks--planned and additional--of the Rovinari and Motru mining combines.

Mobilization of these large human and material forces and their utilization with high productivity mean a broad organizational material and financial activity. With a view to providing housing and dining conditions, special measures were taken in time to build the necessary areas in record time. They are intended to lead to the creation of appropriate living and working conditions for all workers involved in this concentrated effort to carry out the program for development of coal production.

#### Utilization of the Equipment and Installations Stock at High Parameters

Parallel with the direct measures and efforts to continue raising the volume of jobs for preparation and stripping and that of the coal extracted and placed at the disposal of the energy units, multiple actions will take place with a view to improvement of all economic activity of the coal-bearing units. Among other things, it is required that the large efforts made during the years and currently to mechanize mining jobs, to modernize the opening technologies and the preparation and extraction of the coal (mining units have available more than 270 drifting machines and about that many shearers, around 180 complexes for mechanized support underground, 60 multi-bucket excavators for more than 2.5 square meters and 30 excavators with rotors should be utilized better.

Many enterprises have in the center of their concerns the use of the machinery and installations they have available with maximum efficiency, fulfilling or even overfulfilling the indicators for planned utilization. However, the situation is completely different at the Rovinari mining combine pits where, due to numerous interruptions in operation, the indicators of time available utilization are still way below the plan forecasts. With a view to raising the degree of use of installations and equipments, the programs of measures compiled to fulfill the plan tasks and recover the lags have provided for concrete ways to improve the situation. So the ministry and the Rovinari and Motru mining combine leaders have moved to apply the measures needed to reduce the standing time for the technological equipment. In particular, being kept in mind are better organization of work, recruiting worker personnel established through the standards approved for the technological lines in the lignite pits and providing, through redistribution, the technical coordinating personnel needed for proper operation of the equipment for the "continuous fire" working program.

Special attention is being given to vocational training of the personnel needed for the technological lines which are to be put into operation in 1982 so that they can be assigned to the working points on the equipment together with the start of the march on the assembly platforms or carrying out of the technological tests. At the same time, we are proceeding to set up the access roads for the big equipment and mainline transportation and so forth. Through application of these measures we are seeking for the planned indicators for utilization of available time to rise from 60 percent to 65 percent which, compared with 47.6 percent reached in 1982, will represent an important contribution to fulfilling the 1982 production plan.

Another group of specific measures refers to supplying the mining units with the equipment and materials needed to repair the rubber belts, to providing spare parts for the immediate repair of technological equipment within the schedules set and for effective correction of accidental defects. For this purpose, with the aid of the ministries concerned, permanent "servicing" activities will be organized at the Rovinari and Motru mining combines for effective intervention in the technological equipment in pits and underground. All this will contribute decisively to activating certain mechanized stoping complex existing in the stocks of the mining combines.

Obtaining the additional volumes for preparation and stripping both for lignite and brown coal requires a special effort for technical supply. For that reason it has been established that in 1982, in order to increase the working capacity in the lignite pits, 11 rotor excavators and 6 dumpers are to be assembled and placed into operation, while in 1983 another 5 excavators of the same type and 1 dumper will go into operation. Supplies with other varied equipment also are forecast, among which are more than 2,400 16-ton tip-trucks, 6 basket excavators, 10 S-1202 excavators and others.

The transportation of mining material (coals and mine waste) from pits and underground to the destination, that is, to the beneficiary, is one of the major problems of this sector. Its solution requires more effective participation and collaboration from those involved in this area. As far as they are concerned, the specialized units of the ministry have the task of assembling a mainline belt to transport waste at the Oltetu-Vilcea pit by the end of this November. At the same time, a loading point for coal at the Popesti train station must be designed as fast as possible, while the Ministry of Transportation and Telecommunications must build and put into operation the normal railroad over the Babeni-Popesti, Tigru Carbunesti-Albeni and Dudas-Husnicioara routes for the coal-bearing units and build a connecting road from Berbesti to Popesti. All this must be finalized in stages by August 1983.

Similar actions are planned to improve and provide the operation of the maintenance and repair system in a short time and of a high level of quality for all the equipment and technological installations which decisively determine volume of jobs or production obtained. For this purpose, the production of and supply with spare parts are the current concern of specialists in our units and the specialized units of the machine construction industry and other branches.

#### Raising the Quality of Coal, an Achievable Requirement

An important problem intended to satisfy the justified requirements of the beneficiaries at a high level is continually raising the quality of the coal delivered. It is particularly well known that one piece of coal with high calorific power permits high output to be obtained in utilization at the thermoelectric power stations. With a view to reaching the goal, we have moved to taking more measures to improve working techniques in the pits and underground. In particular this aims at reducing the content of waste in the coals delivered to the thermoelectric power centrals by building picking and sorting installations for all the mines. Another four installations for pre-grinding the coal and eliminating foreign bodies will be built and put into operation in 1982-1983.

At the same time, the program establishes measures which should lead not only to improvement in the working techniques underground and in the pits but also to identification, extending and broader working of the coal reserves, capable currently of covering the need for around 100 years. Together with the Ministry of Geology, geological research institutes and units geared for geological exploration jobs, we should intensify the concern with bringing out and drawing into economic circulation the new coal reserves in order to obtain an increase in the degree to which this necessary fuel is provided to all the consumer sectors of the national economy. At the same time, the Ministry of Geology will extend research projects in all areas of the country to promote new reserves, while the mining units will intensify research with a view to establishing the technical conditions for increasing the degree of extraction and utilization of the coal reserves they have available. At the same time, specialists in the coal-bearing units and mining research institutes will extend research and experiments for finding technical solutions and new technological procedures for working the deposits situated in the more difficult mining-geological conditions (Isalnita-Prunisor, the areas of Bucharest, Lugoj, Caransebes and northwestern Transylvania and so forth).

We feel that conditions do exist for complete fulfillment of our tasks in the program for producing coal in the 1981-1985 five-year plan, thus providing the energy system and other coal consumers with necessary quantities for the development and good operation of all the units and to satisfy the needs of our national economy.

1. DINAMICA PRODUCȚIEI DE LIGNIT ȘI CĂRBUNE BRUN  
în anii 1980-1985 (mii tone)

2. Produs totală

3. Produs din bazinul Gorj

5. Suplimentar 4000

4. PLAN 36000

5. Suplimentar 3200

4. PLAN 27430

Key:

1. Rise in Lignite and Brown Coal Production in 1980-1985 (thousand tons)
2. Total production
3. Gorj basin production
4. Plan
5. Supplementary
6. Year
7. Total, of which:
8. Gorj basin

ANUL	1980	1981	1982	1983	1984	1985
TOTAL din care:	26100	27661	40000	51000	63000	75000
Bazinul GORJ	18197	19436	30630	39375	47750	55470

ROMANIA

METHODS TO INCREASE CRUDE OIL PRODUCTION OUTLINED

Bucharest REVISTA ECONOMICA in Romanian No 17, 30 Apr 82 pp 11-12

Article by V. Boescu and C. Barnea]

[Text] A Micro-Survey of the Drilling and Extraction Fields of the Bolintin Oil Trust

Under the conditions of the rising requirements for raw materials, fuels and energy, the efforts of the units in the extraction sector to fulfill the provisions of this year's plan take on special importance. As Comrade Nicolae Ceausescu stressed at the RCP CC Plenum of 31 March 1982, "We must give special attention to solving the problems of technical-material supply under good conditions, to fulfilling the tasks set by the 12th party congress for more powerful development of the energy base and our own raw material base in order to provide the need for good economic activity to a greater extent from the country."

How are the specialized units in the crude oil extraction sector taking action to mobilize the reserves for continually increasing production. This was the purpose of the micro-survey made by REVISTA ECONOMICA at the drilling and extraction fields of the Bolintin Oil Trust, which this year should cover nearly 25 percent of Romania's crude oil and natural gas production.

Extending Projects Which Research the Subsurface

In order to increase conditions for crude oil and gas production, there is special importance in research and study of the subsurface, shallow and deep. The activity carried out by geologists and specialists from the trust with new and modern means brought out in 1981, as well as the first months this year, resources from new deposits in the areas of Ileana, Stoenesti, Caldararu in Calarasi County, Independenta, Oprisenesti, Bordei Verde in Braila County, Balaria, Videle in Teleorman County and so forth. On the basis of the documents drawn up, the drilling units of the trust (the Bucharest drilling field, the Braila drilling-extraction field, the Cartojani construction-assembly jobsite) intensified their activity, overfulfilled the plan for digging on the wells and for investments, thus placing a larger number of wells for crude oil and gas extraction at our disposal. At the Cartojani field--a unit decorated with Class I Order of Labor and winner of the "red flag" for the branch for the achievements it obtained in 1981--daily crude oil production rose 77 tons by placing 23 new wells into production in the first quarter. At the same time, at the Videle

fields putting 21 new wells into operation permitted an increase in crude oil of 110 tons daily. The efforts made by the drilling brigades at the Bucharest fields in March and April materialized in the obtaining of new productive wells which are fully contributing to recovering the lags from the first two months of the year. There are areas as, for example, Ileana, Vilede and Cartojani where, due to the superior organization of work and utilization of progressive methods, two wells per month at average depth are drilled with a single installation. Shortening the drilling period by using higher speeds, by assembling and dissembling installations in periods which are two-three days less compared with past years and achieving the volume of investments on time have permitted dozens of new wells to be put into operation 10-20 days earlier.

At the trust level, the drilling, working and injection plan was overfullfilled in the first quarter this year by 11,265 meters, and by 789 meters for deep drilling. By reaching higher speeds over the plan--also facilitated by the fact that the machine construction industry placed at the disposal of the drilling units modern, high-output installations--the number of wells dug is exceeding forecasts, creating conditions for a daily increase in the quantities of crude oil and gas extracted. It also should be pointed out that in 1982 there is more emphatic concern for drilling wells at great depths (4,000-6,000 meters). Until now two such wells of the eight forecast for this year have been drilled.

#### Reducing the Supply of Inactive Wells

We see from the micro-survey made on the trust's fields that an important contribution to increasing crude oil production is made by reducing to the minimum limit the supply of inactive wells by effective geological-technological interventions and measures. As is known, throughout the extraction of crude oil, the daily rate falls at some wells, some of them get sandy, while others have various troubles. The effective intervention of specialists to activate them and put them into operation has great importance for fulfilling the extraction plan, since many times the production obtained can be doubled through the measures adopted and applied. At the Cartojani field, for example, by application of certain modern methods for stimulating production, more than half of the inactive wells were activated in the first quarter of this year, while the production obtained daily rose by more than 100 tons. Keeping a balance between the inactive wells and the ones which produce requires that the number of specialized brigades for interventions must be appropriate. That is why this year the number of such brigades at the Cartojani field increased by two, with another two to be organized by the end of the second quarter of this year.

Along with interventions or capital repairs on the wells, a large range of geological-technological measures are being applied in the extraction fields to increase the extraction rate as well as to keep them in an operational state for as long a period as possible. Due to rushes of sand, some wells at the Braila field could no longer operate. The interventions made to consolidate them by injecting sand with different granulation at high pressure and the introduction of filters permitted putting them into operation again and halting the infiltration of fine sand into the crude oil. At the Independenta deposit, just to give one example, where a crude oil production of 120-130 tons per day

has been obtained for 20 years in a row, the quantity extracted through application of a complex of geological-technological measures rose to the current 260 tons per day, with the amount to reach 300 tons per day by the end of the year.

Other interventions have consisted of increasing the gross output of the wells (water and crude oil) in order to maintain the net output for crude oil extraction. This technique for increasing the output of the wells, under conditions where the impurities have the tendency to increase, nearly in all the trust's fields have permitted the extraction of crude oil to be maintained at high rates, contributing to a great extent to fulfillment of the plan tasks. Also, it has proven particularly effective to move a large number of wells from the extraction of crude oil through pumping to extraction in gas lifting (artificial eruption). Proceeding from the fact that in pumping the surface strokes of the installations are limited by the unit of time while the quantity of crude oil extracted is kept at small amounts, by injecting gas in a large number of wells we have reached a considerable increase in the daily quantity extracted from the deposit by artificial eruption.

The utilization of the method of underground combustion in the deposit has produced good results in the Videle field and in the zone of Balaria Commune. A special element which appeared by using this particular method is the move of a large number of wells from pumping to gas lifting, which has permitted an increase in production on each well of three-four times. This year the method of underground combustion will be applied to another 150 wells.

Clearly, depending on the situation found at each well, the methods being used vary. It should be brought out that for the trust as a whole the geological-technological measures being applied this year have spread 25 percent compared with 1981. The efficiency anticipated is relevant: keeping the majority of wells in operation in an operational state in constant and superior production, which equals several thousands of tons of crude oil extracted daily.

#### Recovering Lags in the Shortest Possible Time

At the Bolintin trust, except for the Videle field, where the plan forecasts up to 15 April 1982 were overfulfilled for crude oil extracted (around 2,000 tons), for gas (9 million m<sup>3</sup>) and for goods and net production (102.1 percent), the other fields have recorded failures of fulfillment. Partially this is also the result of an increase in plan tasks compared with 1981 (the Cartojani field should produce 200 tons of crude oil additional daily this year compared with 1981), plus the cold weather and some of their own personal organizational difficulties. In this last case we should refer to the existence of still a large number of inactive wells with which they entered the new plan year, the relatively long time for placing the new wells into operation and carrying out intervention operations, to extending certain technological procedures which proved to be very efficient slowly and so forth.

Those who participated in doing the micro-survey pointed out that, starting with the second half of March, through the measures taken at all levels and the active participation of the specialists in the weekly analysis--and sometimes even

more frequently--in the situation of fulfillment of the plan tasks at each field, deposit and well, better results have been obtained in fulfillment of the daily production tasks. Thus the Cartojani field, starting on 17 March, fit into the plan forecasts and since 12 April has been producing an additional 70 tons of crude oil daily; the Videle field fit in since 11 February, arriving at a daily 140 tons of crude oil beyond the plan since March; the Titu field, which was below the plan in March and first half of April by 70 tons a day, continued to succeed in fitting into the plan forecasts. As far as gas and gasoline production, the plan is being fulfilled and overfulfilled by each field, including at the trust level.

The problem being posed is of recovering the lag as quickly as possible in fulfilling the plan (around 43,000 tons of crude oil in the first quarter and the lags from 1981 of 72,000 tons). April's balance, in which decisive measures were taken to mobilize potential reserves, shows that a good portion of the deficits from the first part of the year were recovered, with four extraction fields--except the one in Braila--daily producing hundreds of tons of crude oil over the plan so that by the end of the second quarter they will be in the situation of recovering the deficits and, at the same time, will have overfulfillments of the plan which should contribute to recovering the quantities of crude oil left from 1981. As a result of the competition carried out to celebrate 1 May, a crude oil production which was 300 tons greater than in March was obtained in April.

One area where maximum attention should be given is fulfilling the forecasts for test drilling. Clearly, also of interest are fulfillment and overfulfillment of the forecasts for exploitation drilling and grout holes (the 4-month plan was overfulfilled long ago but, equally, also to be sought and carried out is test drilling, which provides conditions for future production. Unfortunately, the plan in this area was not fulfilled in the first four months of the year by around 30 percent. More attention must also be given to broadening activity in the direction of deep-well drilling. Since the activity to place such wells into operation lasts longer, starting this year it is necessary for the number of deep wells to be increased, having them provide in the near future a substantial base for the more emphatic growth of crude oil production.

Another important problem which must be solved more effectively is providing of spare parts. In this regard the contribution of the Ministry of Petroleum Industry's own units and the specialized units of the Ministry of Machine Construction Industry can and should be more substantial. In this regard it also is necessary for the Bolintin trust also to take timely action in order to create reserves of parts and subassemblies which are required the most and to increase the quality of their reconditioning. So it will be possible for the future to avoid the stagnation of carrying out certain interventions or capital repairs in awaiting the needed spare parts.

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YUGOSLAVIA

PORt EXPANSION QUESTIONED; DATA ON SHIPPING GIVEN

Zagreb VJESNIK in Serbo-Croatian 30 Apr 82 SEDAM DANA supplement pp 12-13

[Article by Gradimir Radivojevic: "Too Few Berthings To Justify Ambitions"]

[Text] The imprudent development of our seaports could put us in the situation we now find ourselves in with refineries: cargo-handling facilities would be threefold greater than needed. At the same time the seaports lack a good rail connection with the hinterland.

Yugoslav seaports, if they continue their policy of "independent development," will soon find themselves in the situation the refineries are in: They will have three times the capacity for certain types of cargo the market requires.

Very good mutual relations have been established among the seaports. There is collaboration on many matters, from mutual adjustment of rates to development programs, but there is no real agreement on development. There are even objective reasons why it has not come about: every area (opstina, region, republic) wants "its own" largest seaport, each is scrambling for every piece of business in order to earn income, and the economic associations cannot "calm them down" in this respect.

Another heretical assertion: Without neglecting the basic development of the seaports, all efforts (and the bulk of the funds) should be immediately committed to providing a good rail link between the Adriatic coast and the interior. The long-standing proposal, one which has been substantiated and proven hundreds of times, is that that link connect Zagreb and Rijeka with a line through the plain following the valley of the Kupa, but that need not be the one. Let someone offer a convincing and economically more justified and favorable alternative.... Just so there is no more waiting for solutions, since even now they are too expensive--which is the price to be paid.

How To Survive the World Cargo Crisis

This kind of (self)-criticism of relations among the seaports or, put more precisely, of the situation in which the Yugoslav seaports find themselves at the moment, was publicly and outspokenly expressed by Josip Stefan, director of the largest Yugoslav seaport (Rijeka), who is at the same time the president of the grouping of seaports and riverports of SR [Socialist Republic]

Croatia. It is not a question of "disrupting" good relations among the seaports, but of opening up an objective dialogue concerning an intolerable situation threatening to put the seaports in a bind in their development policy.

The crisis on the world maritime shipping market is obvious. It is an old truth that the Yugoslav seaports have not been augmenting their capacity solely to meet the demand of domestic imports and exports. Transit cargo has been the most reliable and "sweetest" morsel. It is also the one claimed by the Adriatic ports of neighboring Italy and by a majority of the north European seaports. The owners of those cargoes have to be convinced--by the quality of service, but also by rate policy--that the Yugoslav Adriatic route is the most economical and reliable for them.

The decline of cargo traffic in our seaports is demonstrated not only by the half-empty berths, but also by the figures on the eight principal seaports in SR Croatia: in the first quarter of last year the volume of cargo was 7,468,484 tons, and in the same months of this year 6,450,925 tons. That is how it is. They have felt this even in the port of Rijeka, but they suspected the onset of the period of crisis even earlier, and they prepared for it. For example, last year they handled all of 7.6 million tons of traffic, but for this year they planned about 7.2 million. They say in that seaport that they are taking every measure to fulfill even this "trimmed down" plan. The essential thing for them, however, is to obtain cargo of the best possible quality, even though the physical volume of traffic may decline, in order to achieve the anticipated financial results.

#### **Yugoslav Seaport Traffic by Ports (in thousands of tons)**

<u>Port</u>	<u>1980</u>	<u>1981</u>	<u>Port</u>	<u>1980</u>	<u>1981</u>
Kopar	2,536	2,350	Split	1,041	992
Pula	292	262	Kardeljevo	3,514	3,330
Rijeka	7,644	7,890	Metkovic	162	200
Zadar	734	582	Dubrovnik	329	225
Sibenik	976	951	Bar	1,514	1,616

#### **Traffic in Yugoslav Seaports (in tons)**

<u>Year</u>	<u>Total Traffic</u>	<u>Transit</u>
1980	33,840,000	6,017,000
1981	33,899,000	5,888,000

#### **Distribution of Seaport Traffic in Yugoslavia**

<u>Type</u>	<u>1980</u>	<u>1981</u>
Coasting	5,540,000	5,364,000
Exports	3,482,000	3,383,000
Imports	18,801,000	19,264,000
Transit	<u>6,017,000</u>	<u>5,888,000</u>
Total	33,840,000	33,899,000

Investments in the Largest Seaports (in dinars)

<u>Seaport</u>	<u>1980</u>	<u>1981</u>
Kopar	383,977,000	771,865,000
Rijeka	116,843,000	176,248,000
Kardeljevo	84,292,000	68,274,000
Bar	157,527,000	370,641,000

The answer they give in Rijeka to the question of how to live/survive in the world crisis of seaport traffic is that--viewed from the general Yugoslav standpoint--it is high time to define a single development policy for the seaports and the attitude of the public community toward them.

The executives who head the Yugoslav seaports have been conducting frequent and very "amicable" talks with one another. Traditionally the seaport people have met at least once a year at athletic events or other gatherings. One would say that they enjoy almost ideal mutual relations.

But that is not the case, since it cannot be the case. Seaport activity is to some extent a mirror of relations in the Yugoslav economy and of the influences of users of seaport services from other countries.

"I am not convinced that the total specialization of seaports can alter the present situation," Josip Stefan says, "but a certain orientation of particular types of cargo to certain ports could contribute to an improvement. We are cooperating, but the fact that everyone is fighting for the best possible income cannot be condemned. Yet a sober attitude has to be taken in good time with respect to new capital investments. I think that with our present associations of various kinds we do not have the strength to resolve those relations and the opinion often heard that "the seaports should agree with one another" is as far as can be from a way out of this situation, since it is difficult to renounce individual ambitions."

In this connection Stefan cites the example of building port refrigeration facilities. They have been built at Kopar, Zadar and Dubrovnik. Nor has Rijeka renounced "its own" refrigeration facility, though it will have a smaller capacity than was planned. These refrigerated facilities are underutilized, since there is not enough flexibility. At Kopar, for example, the refrigerated facility is located in the customs-free zone, and regulations prevent it from being used (more frequently) on a broader regional basis.

Another still more drastic example is that of Austrian coal which at present is now being sought after by a virtual majority of the Yugoslav seaports and Trieste. Accompanied by the determination, of course, to build (new) bulk cargo-handling facilities, in which hundreds of millions of dinars would be thrown in vain--were this to come about.

It is an interesting and instructive story.

For years Austria has used the Bakar port basin for imports of coal for its steel mills (VOEST). This terminal in Bakar now has an annual traffic of about 4 million tons of cargo, but it has reserve cargo-handling capacity for more than another 3 million tons. However, a "rumor has reached" the northern Adriatic seaports that in the future Austria will be interested in an annual coal traffic between 4 and 7 million tons! The bait was too attractive to resist, and almost all the ports were hooked on it. Hasty plans were made to build terminals for bulk cargoes at Trieste, Kopar and certain other seaports. In Rijeka, however, representatives of Austria made a recent visit (23 April) and stated authoritatively that over the next 20 years or so, taking 1985 as the initial year, the Austrian economy would be needing about 600,000 tons of coal imported from overseas for thermal electric power plants, and to this can be added about 1.2 million tons for the steel mills imported through VOEST. If we add to this the "optimistic reserves," even then one cannot get to more than 3 million tons of coal which the Yugoslav seaports can objectively count on. This conversation in Rijeka was also attended by representatives of the other Yugoslav seaports and of republic and federal agencies, so that there is reason to expect (if nothing more) at least that illogical ambitions of building new bulk cargo facilities in our seaports will be avoided.

#### The Stumbling Block--A (Missing) Rail Link

If we take into account that the traffic of Yugoslav imports and exports depends least of all on the Yugoslav seaports and their capacity, one understands why the eyes of all seaport executives are turned toward transit. Neglecting all the objective problems hampering its growth, we will dwell on two problems that have the greatest urgency at the moment and which have been pointed out by Josip Stefan. "The overseas trade of the countries whose goods gravitate toward the Adriatic ports offers hopes of increased transit, but this is now being held up by our country's present rate policy. Rail and seaport services are more expensive for transit cargo than for domestic cargo, which is illogical and the opposite of the situation in other countries. Given the problematical situation in the entire world's economy, various countries are striving in various ways to encourage a growth of transit traffic through their seaports. The Federal Republic of Germany is an example: In order to respond to this situation and to orient cargo to its seaports, it has made it possible for its rail rates to be essentially reduced, and Trieste and the Italian railroads are doing something similar. It must be realized, however, that the present rate policy is not the whim of our railroads. Trains to Hamburg, for example, pull 4,000 tons, but trains from Rijeka can take only about 1,000, and that makes transport considerably more expensive. The second basic problem is the Adriatic's link with the interior. Without that link we cannot count on a growth of transit traffic. I would even say that we should reduce investments in the seaports in order to create conditions for investment in the railroad. Yugoslavia must furnish a good rail link to the sea, whichever route is chosen...."

The people in Rijeka, then, are not "rooting" for the Kupa rail route (already agreed on) whose justification is beyond dispute, but they do advocate that a land-sea rail link finally be built--"wherever and however."

### The Attractive "Container Morsel"

At one time there were also disagreements on the horizon concerning the building of port container and ro-ro terminals. A majority of the ports wanted the "central" (that is: largest) container terminal, without worrying too much about the fact that the policy of building terminals was not being conducted on the land as well.

However that may be, the container terminals were built: in Kopar with a capacity of 60,000 container units, with possible expansion to 100,000, and in Rijeka for 40,000 containers. The way in which those two most important terminals were built (and are still being built) is common knowledge. In the port of Kopar the associated labor of all SR Slovenia pooled capital and facilitated its construction (that, incidentally, is how this northernmost of our seaports is developing), while in Rijeka it was built thanks in large part to cooperation between the port and the rest of the maritime industry, but the entire burden still fell on the backs of the workers in the port. Yet there is more and more containerized cargo, and the last thing that can be said of these two terminals is that the investment project was a mistake. On the contrary, there is economic justification for their expansion, and this is now being undertaken by both northern ports.

"Last year we handled about 20,000 container units through our terminal at Brajdica," Stefan says. "The growth rate of traffic is all of 20 to 30 percent a month! The SIZ [Self-Managing Community of Interest] for Combined Transportation of SR Croatia and the working group working to iron out the social compact on combined transportation have classified this terminal among priority projects as far as development is concerned. We are continuing to dump fill at Brajdica to accommodate about 100,000 containers by building up the shoreline, which would meet the demand of this route over the next 10 years or so. After that a new one can be built. We have not given up the site at Bakarac, and we have also reserved land on the northern portion of Krk Island."

According to this executive of the Port of Rijeka, satisfaction is also felt in discussion of the new port Brsica near Rasa. Aside from the timber terminal, construction of a livestock terminal is now being completed there which for the present would be the most up-to-date in Europe and would have a capacity of about 60,000 head of cattle annually. But the infrastructure has been furnished for a threefold larger terminal (which probably will not be long in coming in view of the ever more pronounced interest of foreign trading partners).

The Port of Rijeka has also committed itself in the past few days to building an up-to-date "factory" for servicing containers. This is a new port initiative which has won approval among domestic maritime carriers. Yugoslav maritime carriers, that is, possessed 28,000 container units this March (Jugolinija 11,000, Losinjska Plovidba 10,000 and Jadroslobodna 7,000) which needed regular service and maintenance in domestic ports. As a matter of fact, there are small service operations offering the most necessary services, but this is not meeting the domestic demand, and certain foreign maritime carriers are

also showing an interest. To illustrate it is enough to mention that Jugolinija and Losinjska Plovidba alone paid about \$4 million in foreign imports for container maintenance and repair. This does not mean that all those expenditures will be "transferred" into the country, but it is altogether certain that most of the foreign exchange will be saved and the dinars will remain at home. This program is already well under way: it is assumed that the "factory" will be completed by mid-year at Skrlevo in the port industrial zone, where the basic infrastructure has already been built, so that only another 110 million dinars or so need to be invested.

That, then, is the situation at the moment in Yugoslav seaports, which are continuing to negotiate an agreement, but at the same time each is going its own way. The way out?

"I have the impression that we have too many structures worrying about the seaports and their problems," Josip Stefan replies, "from various committees and commissions to chambers, SIZ's, and so on, at all levels. But those are talks to no purpose. There are no results. There is no development policy which has been thought through. The current medium-term plan for development of seaports in SR Croatia, for example, is merely the sum total of our desires, but not of reality, since it takes the line of not offending anyone, and no one knows who will furnish the capital nor how, by contrast with SR Slovenia, which has already pooled about 1.5 million dinars to develop the Port of Kopar. At least we here in SR Croatia, I think, ought to join forces through the Committee for Maritime Shipping, Transportation and Communications and the Executive Council of the Croatian Parliament and define for these eight ports and also associated labor, what sort of seaports we need."

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